Alberta

Freedom To Create. Spirit To Achieve.

Transportation

Annual Report
2009-2010

Government of Alberta

CONTENTS

2 Preface

3 Minister's Accountability Statement

4 Message from the Minister

6 Management's Responsibility for Reporting

Overview

8 Ministry Overview

9 Organizational Overview

Results Analysis

12 Review Engagement Report

13 2009-10 Performance Measures Summary

14 Developing and Preserving the Provincial Highway Network

19 Managing Provincial Transportation Safety

24 Developing Partnerships to Support Alberta's Interests in a Multi-Modal Transportation System

26 Supporting Provincial and Municipal Water Management Systems

28 Expense by Function

28 Financial Resources

29 Expense by Core Business

Financial Information

33 Table of Contents

34 Auditor's Report

Other Information

64 Appendix A – Performance Measures Methodology

Preface

Public Accounts 2009-10

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 24 Ministries.

The annual report of the Government of Alberta released June 24, 2010 contains Ministers' accountability statements, the consolidated financial statements of the Province and the *Measuring Up* report, which compares actual performance results to desired results set out in the government's business plan.

This annual report of the Ministry of Transportation contains the Minister's accountability statement, the audited financial statements of the Ministry and a comparison of actual performance results to desired results set out in the Ministry business plan.

This Ministry annual report also includes other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as a part of the financial statements, to the extent that the Ministry has anything to report.

Minister's Accountability Statement

The Ministry's annual report for the year ended March 31, 2010, was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at September 8, 2010 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

Original Signed By:
Luke Ouellette
Minister of Transportation

Message from the Minister

As Minister of Transportation, I am proud of the quality and wide range of work the Ministry accomplished on behalf of Albertans. Over the past year, the global economy presented new challenges. Our government responded by charting a strong and steady course to economic recovery.

Roads are the backbone of Alberta's economy and fundamental to Albertans' quality of life. They link producers and businesses to global markets, bring in visitors from all over the world, and connect us to our families, friends and communities. We continued to invest in our transportation system to keep the economy moving, keep Albertans working and create new opportunities in our communities.

Supporting Economic Growth

One of my mandates as Minister was to work within the fiscal context to optimize the value of provincial investment in highway repaving and bridge repair because roads are essential to our economy.

Capital plan spending on the provincial highway network in 2009-10 was $1.6 billion. With key investments in road and bridge work, the Ministry paved more than 1,200 km of roads across the province including 125 kilometres of widening work and 130 kilometres of new highway to link Albertans to world markets.

Progress continued to be made on many key highway projects. The northeast and northwest Stoney Trail in Calgary opened to traffic in November 2009. In Edmonton, design and construction continued on the northwest portion of Anthony Henday Drive, which will open in fall 2011. Both will reduce congestion, help realize economic opportunities in our communities and increase safety in our transportation system.

Also, the Ministry invested more than $140 million in the North-South Trade Corridor including major construction projects on Highway 2 between Calgary and Edmonton. Key projects included the Yankee Valley Boulevard Interchange, completion of the North Innisfail Interchange and upgrades to the interchange on Highway 2 at 11A. Such developments facilitate the efficient movement of people, goods and services along one of Canada's busiest business and trade corridors.

In support of the federal Asia-Pacific Gateway and Corridor Initiative, the Ministry worked with Canadian Pacific Railway (CP), Transport Canada and the City of Edmonton to obtain funding for an overpass at Highway 2 and 41 Avenue SW. The project will improve road connections to CP's new intermodal facility at this location in Edmonton to increase jobs and Alberta's share of the Asia-Pacific market, one of the world's largest economies.

Saving Lives: Promoting Safe Drivers, Vehicles and Roads

As part of our commitment to reduce injuries and fatalities on provincial roads, Transportation continued to implement the Alberta Traffic Safety Plan: Saving Lives on Alberta's Roads. The plan addresses all aspects of traffic safety, and promotes safe driving, vehicles and roads.

To further improve advance traffic safety through education and awareness, the Ministry continued to promote community-based traffic safety solutions across Alberta. The Ministry's Aboriginal Traffic Safety Strategy increased Aboriginal community safety education programs and resources.

In keeping with the Ministry's efforts to implement innovation, advances were made in the Automated Vehicle Identification (AVI) system project. This provides automated bypasses at inspection stations for commercial carriers with excellent track records. Construction on four additional AVI stations was implemented, with the stations to be commissioned and operating in 2010-11. Such innovations save Albertans time and money.

Promoting the Quality of Life in Our Communities

As we strengthen the economy through transportation investment, we are committed to protecting our environment and quality of life. Another of my mandates was to implement innovative approaches to reduce the environmental impact of Alberta's transportation system. The Ministry finalized the Green Transit Incentives Program (GreenTRIP) to provide capital funding that will support new public transit, and reduce the number of vehicles on roads as well as greenhouse gas emissions. We also worked with industry on initiatives to further reduce commercial fuel emissions.

The Ministry administered more than $1.2 billion in grant funding to help municipalities develop and preserve capital infrastructure. Projects included light rail transit extensions in Edmonton and Calgary, the 32 Street/Gaetz Avenue intersection upgrade in Red Deer, and the rehabilitation of the Finlay Bridge in Medicine Hat along with rural resource roads to support regional economies.

The Ministry continued to rehabilitate the Carseland/Bow River Headworks system, which is now 84 per cent complete. Rehabilitation of the river system will provide a safe and reliable irrigation water supply to nearly 237,000 acres of farmland as well as water for towns, industry, recreation and wildlife within the Bow River Irrigation District.

These are some examples of the many projects that are improving our transportation system, creating jobs, and forming the foundation of a stronger Alberta. Also, like every other government ministry, Transportation took action in 2009 by looking internally at ways to more efficiently provide services to Albertans. The collective savings resulting from those efforts helped lower the deficit and improve the government's fiscal position. I would like to thank our Ministry staff whose dedication and expertise have resulted in a better transportation system and quality of life for Albertans. Alberta Transportation will continue to ensure that future generations of Albertans have a well-designed, safe and sustainable transportation system.

Original Signed By:
Luke Ouellette
Minister of Transportation

Management's Responsibility for Reporting

The Ministry of Transportation includes the Department of Transportation, and the Transportation Safety Board.

The executives of the individual entities within the Ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the Ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and business plans, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the financial statements and performance results for the Ministry rests with the Minister of Transportation. Under the direction of the Minister, I oversee the preparation of the Ministry's annual report, including financial statements and performance results. The financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The financial statements are prepared in accordance with the Canadian Generally Accepted Accounting Principles for the public sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The performance measures are prepared in accordance with the following criteria:

- **Reliability** – Information agrees with the underlying data and the sources used to prepare it.
- **Understandability and Comparability** – Actual results are presented clearly and consistently with the stated methodology and presented on the same basis as targets and prior years' information.
- **Completeness** – Performance measures and targets match those included in Budget 2009. Actual results are presented for all measures.

As Deputy Minister, in addition to program responsibilities, I establish and maintain the Ministry's financial administration and reporting functions. The Ministry maintains systems of financial management and internal control which give consideration to costs, benefits, and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- provide information to manage and report on performance;
- safeguard the assets and properties of the Province under Ministry administration;
- provide Executive Council, Treasury Board, the Minister of Finance and Enterprise and the Minister of Transportation any information needed to fulfill their responsibilities; and
- facilitate preparation of Ministry business plans and annual reports required under the *Government Accountability Act*.

In fulfilling my responsibilities for the Ministry, I have relied, as necessary, on the executive of the individual entities within the Ministry.

Original Signed By:
Gary Boddez
Deputy Minister of Transportation
September 8, 2010

OVERVIEW

MINISTRY OVERVIEW

The Ministry's Mandate

The Ministry of Transportation comprises the Department of Transportation and the Transportation Safety Board. The Department of Transportation:

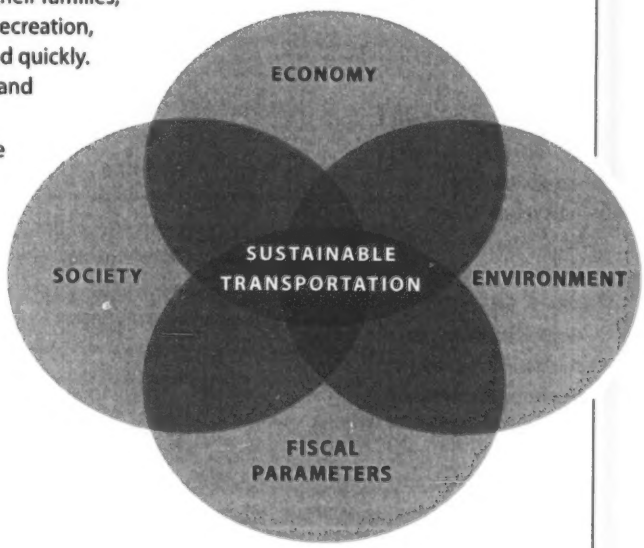
- Leads the planning, construction, and preservation of our provincial highway network to connect Alberta's communities, and support the province's economic and social growth
- Leads transportation safety services and the Alberta Traffic Safety Plan to reduce collisions, and promote safe driving, vehicles, and roads
- Manages provincial and federal grant programs to help municipalities develop and preserve their transportation systems and other priority infrastructure for Albertans
- Designs, constructs and maintains Alberta's water management infrastructure on behalf of Environment
- Promotes Alberta's interests in a safe, sustainable road-rail-air-port and public transit transportation system at all levels of government, as well as national and international trade agreements.

The Alberta Transportation Safety Board reports to the Minister, but makes formal decisions independently in keeping with the *Traffic Safety Act* and the *Railway (Alberta) Act* (see "Organizational Overview").

Transportation for Albertans: The World at Our Door

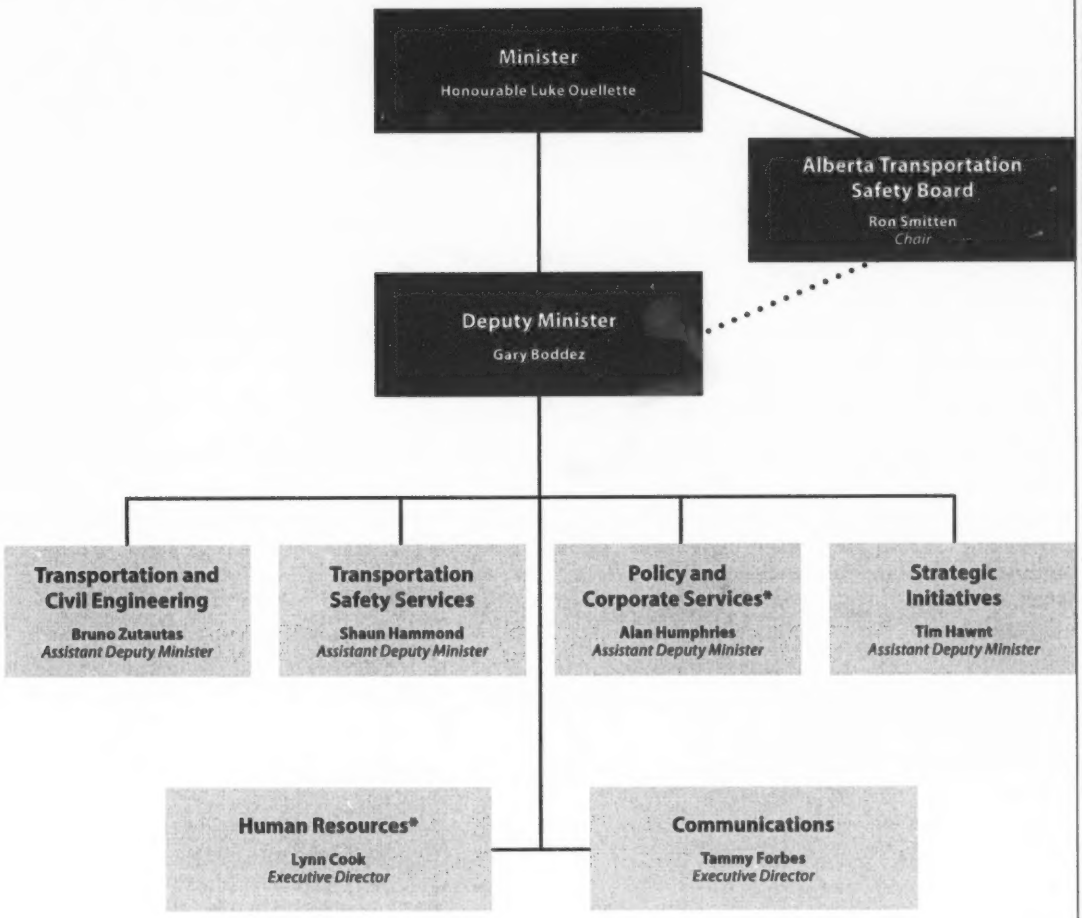
Transportation touches the lives of all Albertans every day. The Ministry plans, develops, and preserves a world class transportation system that incorporates all modes of travel to support Alberta's:

- **Economy** – Transportation is Alberta's gateway to the world. It enables investment, business, industry, agriculture, tourism, job creation and revenues. It connects Albertans to world-wide markets, and delivers every product we sell and buy.
- **Society** – Transportation connects Albertans to their families, friends, communities, work, school, health care, recreation, and all the other places they want to go safely and quickly. It serves commuters, business travelers, tourists, and emergency response teams.
- **Environment** – Transportation contributes to the quality of life in our communities by supporting active living and minimizing its impact on our land, water, and air.
- **Fiscal Parameters** – Transportation investments mean economic growth. Our transportation system must be world class for Alberta to compete in the global market, and at the same time affordable to the public and government.



ORGANIZATIONAL OVERVIEW

Ministry of Transportation Organization as at March 31, 2010



*Policy and Corporate Services and Human Resources are shared services with the Ministry of Infrastructure.

CONTINUED ON NEXT PAGE...

CONTINUED FROM PREVIOUS PAGE...

Alberta Transportation Safety Board

Ron Smitten
Chair

Conducts independent appeals of driver, vehicle and safety decisions in accordance with the principles of natural justice. These include appeal of decisions of the Registrar of Motor Vehicle Services and appeals under the *Railway (Alberta) Act*. Also conducts hearings relating to driver attitude and behaviours that affect public safety.

Policy and Corporate Services

Alan Humphries
Assistant Deputy Minister

Provides executive support including shared Strategic Policy and Planning, Legislative Planning and FOIP, Finance, and Information Management services to the Ministries of Infrastructure and Transportation.

Strategic Initiatives

Tim Hawnt
Assistant Deputy Minister

Provides executive support to the offices of the Deputy Minister and Minister. Leads the development of long-range transportation plans including ring road studies and other projects.

Transportation and Civil Engineering

Bruno Zutautas
Assistant Deputy Minister

Provides executive support to the offices of the Deputy Minister and Minister. Responsible for the planning, programming and delivery of provincial highway construction and rehabilitation projects, as well as numerous special projects.

Transportation Safety Services

Shaun Hammond
Assistant Deputy Minister

Provides executive support to the offices of the Deputy Minister and Minister. Leads the Alberta Traffic Safety Plan, and is responsible for developing, planning, and delivering transportation safety programs.

Communications

Tammy Forbes
Director

Provides strategic communications planning and consultation for the offices of the Minister, Deputy Minister and the department.

Human Resources

Lynn Cook
Executive Director

Provides human resources support for the departments of Infrastructure and Transportation, the associated offices of the Minister, Deputy Minister, and the Alberta Transportation Safety Board.

RESULTS ANALYSIS

Review Engagement Report

AUDITOR GENERAL *Alberta*

To the Members of the Legislative Assembly

I have reviewed the performance measures identified as "Reviewed by Auditor General" included in *the Ministry of Transportation's 2009-10 Annual Report*. These performance measures are prepared based on the following criteria:

- Reliability – Information agrees with the underlying data and with sources used to prepare it.
- Understandability and Comparability – Actual results are presented clearly and consistently with the stated methodology and presented on the same basis as targets and prior years' information.
- Completeness – performance measures and targets match those included in Budget 2009. Actual results are presented for all measures.

My review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of enquiry, analytical procedures and discussion related to information supplied to my Office by the Ministry. My review was not designed to provide assurance on the relevance of these performance measures.

A review does not constitute an audit and, consequently, I do not express an audit opinion on these performance measures.

Based on my review, nothing has come to my attention that causes me to believe that the "Reviewed by Auditor General" performance measures in the Ministry's 2009-10 Annual Report are not, in all material respects, presented in accordance with the criteria of reliability, understandability, comparability, and completeness as described above. However, my review was not designed to provide assurance on the relevance of these performance measures.

Original Signed By Merwan N. Saher
CA
Auditor General

Edmonton, Alberta
September 10, 2010

2009-10 Performance Measures Summary

Core Businesses/Goals/Measure(s)		Prior years' Results 2006-07	2007-08	2008-09	Target	Actual 2009-10
Goal 1: Alberta's provincial highway network connects communities and supports social and economic growth.						
Measure 1.a: Physical Condition of Provincial Highways. ‡	Good	60.6%	59.0%	58.6%	60.0%	58.1%
	Fair	25.4%	25.9%	26.3%	23.0%	26.8%
	Poor	14.0%	15.1%	15.1%	17.0%	15.1%
Measure 1.b: Functional Adequacy of Highways: Percentage of provincial highways that meet current engineering standards.		79.4%	81.1%	82.2%	80.0%	83.9%
Measure 1.c: Construction Progress on the North-South Trade Corridor: Percentage of four-laning open to travel.		87.0%	90.4%	90.4%	91.0%	91.0%
Measure 1.d: Ring Roads in Edmonton and Calgary: Percentage of ring roads open to travel.		29.2%	36.4%	38.0%	56.0%	58.5%
Goal 2: Alberta has the safest and most efficient road and rail system in Canada.						
Measure 2.a: Seat Belt Usage: Percentage of vehicle occupants wearing seat belts – Alberta.* **		90.9%	88.9	N/A***	95.0%	92.9%
Measure 2.b: Involvement of Drinking Drivers in Casualty Collisions:						
i. Percentage of drivers involved in injury collisions who had consumed alcohol ‡		4.6%	4.9%	5.3%	4.4%	5.0%
ii. Percentage of drivers involved in fatality collisions who had consumed alcohol ‡		22.7%	22.3%	22.5%	18.5%	21.1%
Measure 2.c: Mechanical Safety of Commercial Vehicles: Percentage of inspected vehicles requiring on-site adjustments		29.7%	23.2%	28.6%	21.9%	23.2%
Goal 3: Alberta's policy and program interests in an integrated road, air, rail and port transportation system are well represented.						
Measure 3.a: Client Satisfaction Survey: Percentage of municipal clients satisfied with overall quality of service. ‡		N/A**	96.0%	N/A**	>95.0%	95.0%
Goal 4: Alberta has safe and effective provincial and municipal water management infrastructure.						
Measure 4.a: Progress on Completion of Major Water Management Construction Projects: Percentage of Carseland/Bow River Rehabilitation completed. ‡		65.0%	73.0%	80.0%	84.0%	84.0%

‡ Indicates Performance Measures that have been reviewed by the Office of the Auditor General.
These performance measures were selected by the Ministry for auditor's review based on the following GOA criteria:

1. Enduring measures that best represent the goal and mandated initiatives,
2. Measures that have well established methodology and data reporting,
3. Measures that have outcomes over which the government had a greater degree of influence, and,
4. Each goal has at least one reviewed performance measure.

** The client satisfaction survey is completed every two years.
*** Transport Canada did not conduct a seat belt usage survey in 2008-09.

Developing and Preserving the Provincial Highway Network

Goal 1: Alberta's provincial highway network connects communities and supports social and economic growth

Key Accomplishments

Over the past year, the Ministry met the challenge of improving and maintaining the provincial highway network essential to the strength and future of the province, and met its targets for doing so.

The Ministry took advantage of lower construction costs and stretched dollars to rehabilitate our aging roads, protect them from wear and tear, and ensure that people and goods move safely and efficiently. The Ministry invested over $1.6 billion to forge ahead with capital projects that connect Alberta's communities, and provide direct north-south as well as east-west routes to world markets. It completed the scheduled construction of ring roads for Edmonton and Calgary, and supported the road networks vital to rural communities and regional economies. Public-Private Partnerships delivered critical transportation infrastructure within shorter timelines than the traditional design/bid/build delivery mechanism with excellent return on investment.

Smart investments preserved Alberta's transportation infrastructure

In the past year, the Ministry optimized the value of provincial investment in our highway system by paving more than 1,200 kilometres across the province, including:

- 125 kilometres of highway expansion and 130 kilometres of new construction on Highways 61, 9, 58, and Highway 40 south of Grande Cache to improve east-west corridors and gateways to our northern development
- additional twinning on Highway 63 and major bridge construction in Fort McMurray to support the growing community and the sustainable development of our oil sands
- safety rest areas on Highway 16 at Entwhistle and Mundare in our industrial heartland.

Investment in strategic routes better connected people, communities, and economic opportunities

The Ministry invested over $140 million and virtually completed the twinning of the North-South Trade Corridor that runs from Mexico through Alberta ending in Alaska to support the flow of commercial traffic delivering goods that Albertans buy and sell to continental and international markets. This included:

- completion of the North Innisfail Interchange, progress on the Yankee Valley Boulevard interchange, and commencement of upgrades to the interchange on Highway 2 at 11A to improve travel times and safety for thousands of commuters, business and recreation travelers along busy Highway 2
- completion of the Milk River Bypass on Highway 4, a major trade route with the United States
- the continued twinning of Highway 43 west of Grand Prairie along with phase one construction of its by-pass to preserves a vital east-west route for Albertans
- collaboration with partners toward obtaining funding for an overpass at Highway 2 and 41st Avenue in Edmonton as a part of the Asia-Pacific Gateway and Corridor Initiative which will improve road connections to Canadian Pacific's new intermodal facility and increase Alberta's share of the fast-growing Asia-Pacific economy.

Ring roads improved travel times and vital transportation links for our cities

In Calgary, the northeast and northwest Stoney Trail ring road segments opened to traffic on November 9, 2009. Meanwhile, contracts were awarded for the construction of the southeast portion of Stoney Trail, and the Crowchild Trail and Harvest Hills interchanges on the northwest end Stoney Trail.

In Edmonton, construction continued on the northwest segment of Anthony Henday Drive so that it can be opened to traffic on November 1, 2011. Contracts were awarded for the construction of Lessard Road and Callingwood Road interchanges on the southwest Anthony Henday Drive.

Design work for interchanges at Rabbit Hill Road and Cameron Heights in Edmonton and an interchange at Nose Hill Drive in Calgary was completed so these projects can be tendered in 2010-11. The new interchanges will replace existing at-grade intersections, providing free flow travel on the ring roads along with improved safety.

The Ministry continued to adopt new and innovative approaches to improve the effectiveness and efficiency of highway maintenance. It tested the use of corrosion resistant reinforcements in concrete bridge decks and barriers to reduce maintenance costs in three projects at interchanges on Anthony Henday Drive.

Measure 1.a – Physical Condition of Provincial Highways

Description

This measure represents the percentage of the paved highway network that is in good, fair or poor condition. The International Roughness Index (IRI) is used to measure the roughness of roads and to categorize overall physical condition. The segments in poor and fair conditions are those that require attention now or in the near future.

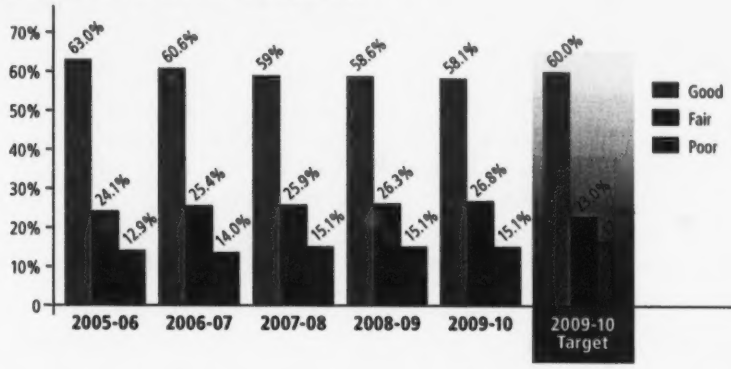
Rationale

The measure is used to sustain the quality of Alberta's paved highway network, and support the safety and efficient movement of commuter, business, commercial and pleasure traffic.

Results

In 2009-10, 58.1 per cent of the paved highways were in good condition compared to the target of 60 per cent, 26.8 per cent were in fair condition compared to the 23 per cent target, and 15.1 per cent were in poor condition compared to the 17 per cent target. Although the percentage of paved highways in fair condition exceeded the target, the overall highway network is continuing to age and deteriorate. Significant additional funding is necessary to address the backlog of highway sections that are slipping into poor condition.

Physical Condition of Provincial Highways



Measure 1.b – Functional Adequacy of Provincial Highways

Description

This measures the percentage of provincial highways that meet target criteria for functional adequacy. A provincial highway is functionally adequate if the roadway meets acceptable width standards, has horizontal curves that allow normal travel speeds, has a paved surface where required, is free of road bans, and is paved as planned.

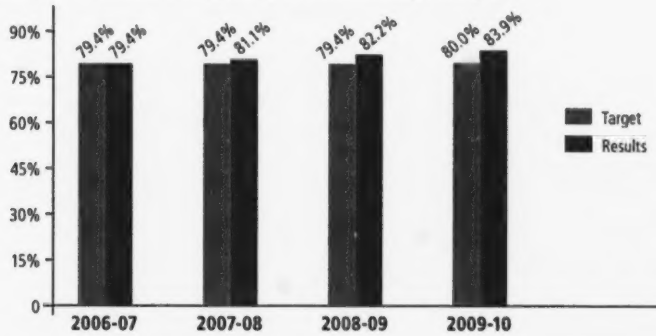
Rationale

The measure was established to ensure that the existing highway network is upgraded where necessary to meet standards and support traffic safety.

Results

The Ministry exceeded its target for maintaining the functional adequacy of provincial highways. 83.9 per cent of the provincial highways were deemed functionally adequate compared to 82.2 per cent for the previous year, and exceeding the target of 80 per cent.

Percentage of Provincial Highways Functionally Adequate



Measure 1.c – Construction Progress on the North-South Trade Corridor

Description

This measure represents the percentage of the North-South Trade Corridor (urban and rural) twinned and open to travel. The Corridor forms part of the CANada/AMerica/MEXico (CANAMEX) Corridor, which stretches from Anchorage, Alaska to Mexico City. It consists of approximately 1,170 kilometres of highway, of which nearly 100 kilometres are within various city limits.

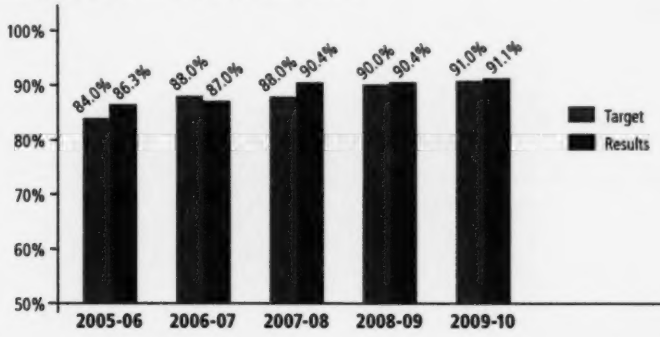
Rationale

The goals of the CANAMEX Corridor are to improve the north-south flow of goods and people, increase transport productivity, promote a seamless and efficient inter-modal transport system, and reduce transport, administrative and enforcement costs. Alberta's North-South Trade Corridor is a key component of the CANAMEX Corridor and is vital to the efficient movement of goods across the Canada-United States border at Coutts.

Results

With the completion of the Milk River Bypass on Highway 4 in 2009, Alberta Transportation has completed twinning 91.1 per cent of the North-South Trade Corridor, slightly exceeding the target of 91.0 per cent.

Percentage of Four-laning Open to Travel



Measure 1.d – Ring Roads in Edmonton and Calgary

Description

This measure represents the percentage of ring roads in Edmonton and Calgary open to multi-lane travel. The total corridor length when completed will be approximately 99 kilometres around Calgary and 80 kilometres around Edmonton.

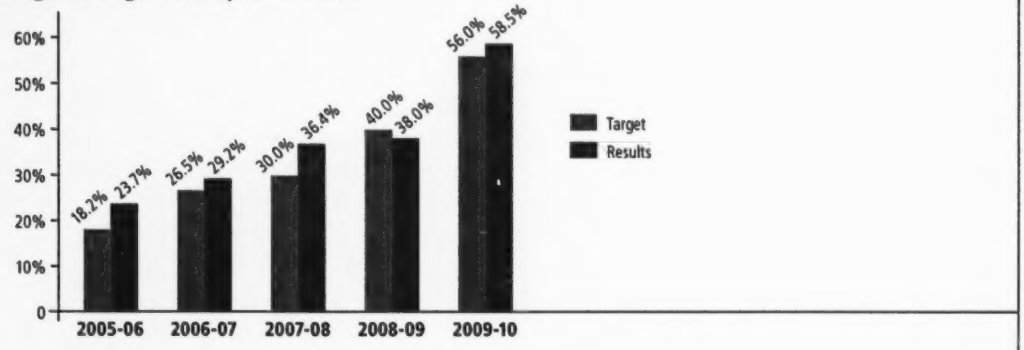
Rationale

The development of ring roads around Alberta's two major metropolitan areas is of paramount importance to the economic development of the province. Besides accommodating traffic growth in Edmonton and Calgary, the ring roads enable the efficient movement of goods and people into and out of the two metropolitan areas and their surrounding regions.

Results

With the completion of Calgary Stoney Trail from Sarcee Trail to 17th Avenue SE in 2009-10, 58.5 per cent of the ring roads were open to travel as multi-lane facilities, exceeding the target of 56 per cent.

Percentage of Ring Roads Open to Travel



Managing Provincial Transportation Safety

Goal 2: Alberta has the safest and most efficient road and rail system in Canada

Key Accomplishments

Safety is a cornerstone of Alberta's transportation system. Over the past year, the Ministry demonstrated its commitment to promoting safe drivers, vehicles, and roads, and made headway in making Alberta's roads among the safest in Canada to use.

The implementation of the Alberta Traffic Safety Plan helped reduce collisions and increase the use of seat belts. Over 92 per cent of Albertans are now wearing seat belts for their safety. The Ministry also continued to reduce the number of unsafe vehicles on the road through improved commercial vehicle inspections, and award-winning thermal imaging devices. The Alberta Transportation Safety Board continued to act in the interest of public safety to remove and keep unsafe drivers off the road. These initiatives complemented the twinning of highways, new interchanges and other road improvements that make Alberta's roads safe to drive on.

The Alberta Traffic Safety Plan helped to save lives

In collaboration with other ministries and the school bus industry, the Ministry started implementing the 10 recommendations of 'Ensuring the Safety of our Children: A Report on School Bus Safety in Alberta' to promote the safety of children on busses across the province.

Alberta Traffic Safety Plan initiatives helped reduce collisions. In spite of increases in population, drivers and vehicles over the past five years, traffic fatalities decreased 14.4 per cent from 410 fatalities in 2008 to 351 in 2009. Traffic injuries also dropped 12.9 per cent from 22,015 injuries in 2008 to 19,167 in 2009. The number of traffic collisions decreased 0.5 per cent from 158,055 collisions in 2008 to 157,226 in 2009. The Alberta Traffic Safety Plan initiatives also had a positive impact on urban and rural seatbelt use, which increased by 4 per cent. Over 92 per cent of Albertans now wear seatbelts for their safety.

The Community Mobilization Strategy empowered community-based traffic safety solutions across Alberta including Public Service Announcements involving local First Responders, Local Speed Awareness, Passing Emergency Worker, School Zone Safety Campaigns and School Bus Safety, Child Restraint System Clinics, Impaired and Distracted Driving, Medically at Risk Drivers, Safety Events, Pedestrian Safety Resource Development, and Youth Traffic Safety Conferences.

The Aboriginal Traffic Safety Strategy ensured that Aboriginal perspectives and components are integrated within traffic safety strategies, and increased Aboriginal community traffic safety education programs and resources.

Improved commercial vehicle safety

Alberta Transportation adopted new approaches and technologies to help improve the safety of commercial vehicles, decrease the number of unsafe vehicles on the road, protect the highway infrastructure, and keep Alberta's roads safe to travel on.

Drivers – The Ministry developed a Commercial Drivers Abstract that will be ready for use in 2010-11 to identify high risk drivers of motor carriers. In addition, the Ministry improved the Risk-Factor process to better monitor the on-road safety compliance of Alberta's motor carriers, and better identify those that pose a risk by exceeding the defined threshold for their fleet size and type.

Vehicles – Deployed across the province, award-winning thermal imaging devices enabled the Ministry to reduce the number of out-of-service commercial vehicles which should not be on the road. The Ministry also ensured the integrity of the provincial inspection program by administering penalties and warnings to licensed inspection stations and technicians who perform substandard inspections.

Safety Incentives – In collaboration with other jurisdictions, the Ministry developed materials, protocols and processes for the on-line North American Fatigue Management Program (NAFMP) to promote safer driving of commercial vehicles. The enhanced Partners In Compliance (PIC) program now provides safety incentives such as inspection bypass, non-fee driver abstracts, and "excellent" safety ratings for commercial carriers that adhere to and maintain high safety standards.

The Automated Vehicle identification (AVI) System, an innovation award-winning project, provides automated bypasses at inspection stations to commercial vehicle carriers with excellent track records. Four additional AVI stations were constructed and will be in service in 2010-11. These provide safety incentives, save time and money for commercial vehicles, and promote safe delivery of goods for business and industry.

Effective July 1, 2009, the Commercial Vehicle Safety Regulation (CVSR), amended Vehicle Equipment Regulation (VER) and Use of Highway and Rules of the Road Regulation (UHRRR), made Alberta regulations consistent with other provinces and North American standards, and roads safer for Albertans and the trucking industry.

Improved road safety and the administration of transportation permits

In addition to high standards of engineering safety, the Ministry further promoted road safety through Intelligent Transportation Systems that provide commercial vehicle operators with road weather and other information.

The Ministry also continued to invest in the Transportation Routing and Vehicle Information System (TRAVIS) a multi-jurisdictional project that will allow carriers to purchase transportation permits from municipalities.

Measure 2.a – Seat Belt Usage

Description

This measure reflects the percentage of seat belt use for light duty vehicles in the province.

Rationale

The Ministry continually promotes the use of seat belts as one of its many strategies to improve safety in Alberta. By tracking seat belt usage, compliance rates can be identified and further analyzed to determine methods of improvement.

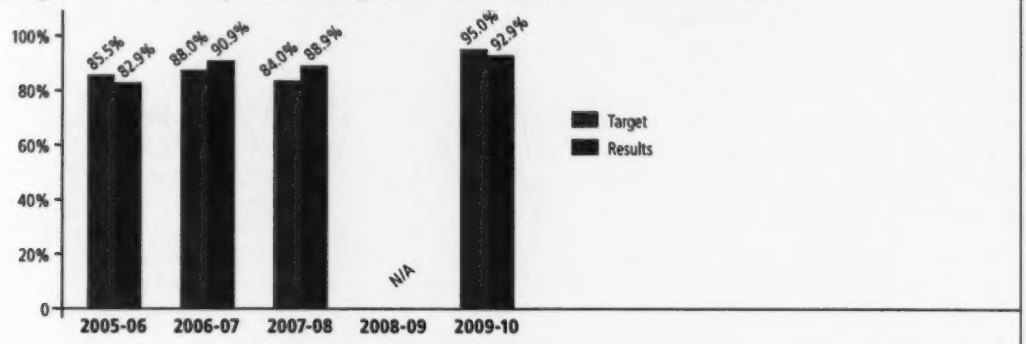
Results

The overall seat belt wearing rate in 2009-10 increased from previous years, with a combined urban and rural Alberta seat belt wearing rate for all vehicle occupants of 92.9 per cent. This represents an increase of 4 per cent from 2006 rural and 2007 urban survey results of 88.9 per cent:

At 93.3 per cent, the 2009 urban seat belt wearing rate is up from the 2007 rate of 89.3 per cent. At 90.4 per cent, the Alberta rural seat belt wearing rate is also up from the last rural survey results of 86.4 per cent in 2006.

While usage rates have increased, they remain below the target because some drivers and passengers may still believe that seat belt wearing does not impact safety and therefore continue to ride unbelted. Therefore, the Ministry has undertaken a number of initiatives to increase awareness and education about traffic safety, including the Traffic Safety Calendar that helps coordinate efforts to address traffic safety issues, Alberta Occupant Restraint Program (AORP) activities, and increased community mobilization and enforcement.

Percentage of Vehicle Occupants Wearing Seat Belts – Alberta (Rural and Urban)



Measure 2.b – Drinking Drivers in Casualty Collisions

Description

***Measure 2.b** – Represents the percentage of vehicle operators involved in casualty collisions, fatal and injury, who were judged to have consumed alcohol before the collision.*

***Measure 2.b.i** – represents the percentage of drivers in injury collisions who had consumed alcohol*

***Measure 2.b.ii** – represents the percentage of drivers in fatal collisions who had consumed alcohol*

Rationale

In its continued effort to educate drivers about the dangers of drinking and driving, the Ministry monitors the percentage of drivers involved in injury and fatal collisions who had consumed alcohol prior to the collisions.

Results

***Measure 2.b.i** – Percentage of drivers involved in injury collisions who had consumed alcohol.*

In 2009-10, there were a total of 19,861 drivers involved in injury collisions in the Province of Alberta for whom a driver condition was specified on the collision report form. Of these, 5.0 per cent were judged to have consumed alcohol prior to collision, a slight decrease from the 2008-09 results of 5.3 per cent. However, the percentage of drivers who had consumed alcohol prior to an injury collision remains higher than the target of 4.4 per cent.

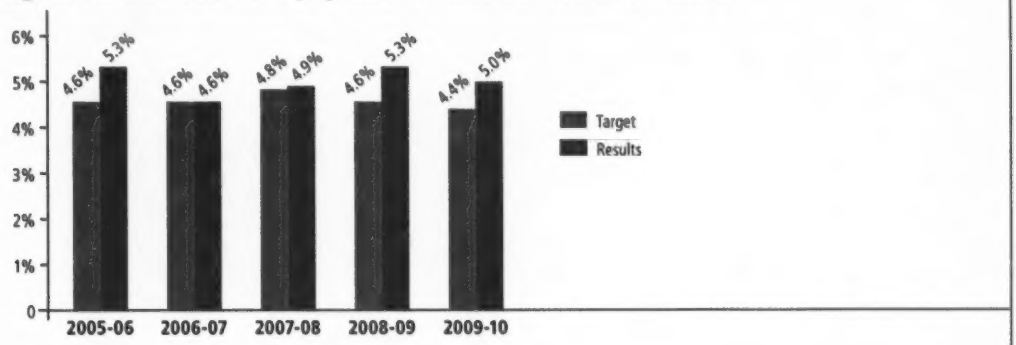
***Measure 2.b.ii** – Percentage of drivers involved in fatality collisions who had consumed alcohol.*

In 2009-10, there were a total of 455 drivers involved in fatal collisions in the Province of Alberta for whom a driver condition was specified on the collision report form. Of these, 21.1 per cent were judged to have consumed alcohol prior to collision, a decrease from the 2008-09 results of 22.5 per cent. However, the percentage of drivers who had consumed alcohol prior to a fatal collision remains higher than the target of 18.5 per cent.

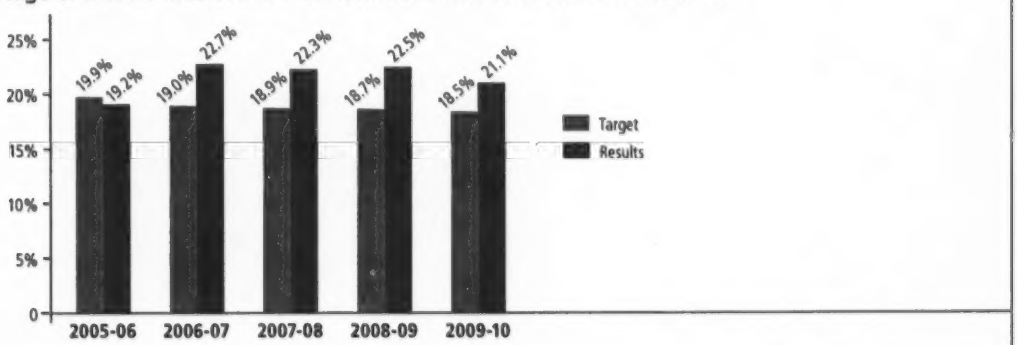
There are many factors that can impact the percentage of drinking drivers involved in injury or fatal collisions, and the potential to achieve targets. These include changing population demographics, levels of economic activity in the province, increases in the number of drivers and registered vehicles, and traffic volumes on provincial roadways, among other factors. Levels of enforcement and programs targeting impaired driving and strategic communication initiatives may also impact the number of drivers who choose to drink and then drive.

Therefore, Alberta Transportation and its traffic safety partners will continue to undertake awareness, education and enforcement programs throughout the year to educate current and future drivers of the dangers of drinking and driving.

Percentage of Drivers Involved in Injury Collisions Who Had Consumed Alcohol



Percentage of Drivers Involved in Fatal Collisions Who Had Consumed Alcohol



Measure 2.c – Mechanical Safety of Commercial Vehicles

Description

This measure represents the percentage of a random sample of commercial vehicles that have been rendered out-of-service when inspected at roadside checks by Ministry staff.

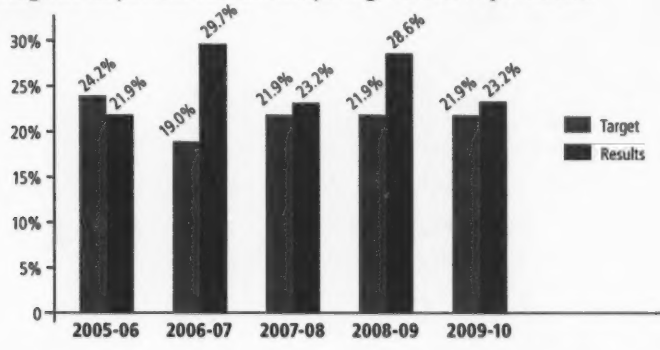
Rationale

Government must continually improve its monitoring of commercial vehicle traffic to promote the safe driving of and mechanical safety of commercial vehicles to maintain high standards of safety on Alberta's roads and the highway infrastructure. Growing inter-provincial and international trade, combined with the need for quick and efficient transport, has led to a significant increase in the number of trucks on Alberta's highways. Therefore, Alberta Transportation continues to work with the commercial carrier industry to assess and enhance commercial safety on Alberta's highways through ongoing education, inspection and enforcement programs.

Results

The Ministry's education, inspection and enforcement efforts are promoting the safety of commercial vehicles, travellers, and the highway infrastructure. The percentage of inspected vehicles that were rendered out-of-service at roadside inspections because of mechanical issues decreased by 5 per cent from 2008-09, 23.2 compared to 28.6 per cent, closely approaching the target of 21.9 per cent.

Percentage of Inspected Vehicles Requiring On-site Adjustments



Developing Partnerships to Support Alberta's Interests in a Multi-Modal Transportation System

Goal 3: Alberta's policy and program interests in an integrated road, air, rail and port transportation system are well represented

Key Accomplishments

Over the past year, the Ministry worked to expand Alberta's road-rail-air-port-transit transportation system which is fundamental to Alberta's economic growth and quality of life. Exports account for two thirds of Alberta's Gross Domestic Product (GDP). Therefore, Alberta depends on the transportation system to access markets around the world, and keep its economy moving and growing.

The Ministry began laying the foundations for a strategic, multimodal transportation plan that will sustain Alberta's competitiveness in the global economy. The Ministry participated in the Rail Freight Service Review and worked with Transport Canada to improve the rail service that moves Alberta's products to market. With industry stakeholders, the Ministry co-hosted the Alberta Open Skies Forum, targeted priority markets for open skies agreements that will promote jobs, business and tourism, and co-signed an Open Skies Declaration with British Columbia and Saskatchewan. The Ministry also invested over $1.2 billion in grant funding to help municipalities advance their transportation infrastructure, promote active living and the quality of life in our communities. Client satisfaction with Ministry services was 95 per cent, right on target.

Advanced Alberta's multi-modal transportation capacity

The Ministry developed a sustainable transportation framework to support the government's Land-Use Framework and Provincial Energy Strategy, based on economic, social, environmental and fiscal sustainability.

Together with partnering provinces, the Ministry updated the Western Canada Transportation Infrastructure Strategy presented at the Western Premiers' Conference to develop strategic transportation infrastructure and integrated multi-modal planning while establishing long term investments in Western Canada transportation.

The Ministry completed a survey of shippers to support the Rail Freight Service Review and worked with Transport Canada to improve rail service. The Ministry worked with industry stakeholders and partners to co-host the Alberta Open Skies Forum and sign the Open Skies Declaration with British Columbia and Saskatchewan.

Alberta became the first Canadian member of the U.S.-based Ports-to-Plains Trade Corridor Alliance, an association of local governments created for the purpose of promoting economic and infrastructure development in "North America's energy and agricultural heartland." In addition, the Ministry worked with the federal government to secure funding for projects that will support the Asia Pacific Gateway and Corridor Initiative.

The Ministry also worked to promote a multi-modal transportation system to support regional priorities and economies through the development of a land-use plan for the Lower Athabasca Region, and the Comprehensive Regional Infrastructure Sustainability Plan (CRISP) for the Fort McMurray area, and the sustainable development of our oil sands.

Supported municipal transportation infrastructure and quality of life in Alberta's communities

The Ministry administered over $1.2 billion in federal and provincial grant funding to help municipalities advance their transportation and other critical infrastructure.

The grants provided helped to fund major municipal construction projects including: the South Light Rail Transit extension to Century Park and 23 Avenue/Gateway Boulevard interchange in Edmonton, the NW Light Rail Transit extension to Crowfoot and the Beddington Trail/Country Hills Boulevard interchange in Calgary, the 32 Street/Gaetz Avenue intersection upgrade in Red Deer, the rehabilitation of the Finlay Bridge in Medicine Hat, and rural roads.

The Ministry also completed the design of the Green Transit Incentives Program to support the development of public transit infrastructure, reduce urban congestion, and green house gas emission.

Measure 3.a –Client Satisfaction Survey – Municipal Quality of Services

Description

The measure represents the percentage of municipal partners satisfied with the overall quality of services provided by the Ministry in the administration of grant programs. Respondents rate their satisfaction with the overall quality of services received on a scale of 1 to 6 (1 being very unsatisfied and 6 being very satisfied). Results include all those clients who indicated they were "somewhat satisfied," "satisfied" or "very satisfied." The survey is administered every two years to allow the Ministry sufficient time to develop and implement strategies that address survey findings.

Rationale

Alberta Transportation is committed to service excellence and strives to foster an environment where partners consistently experience positive outcomes when interacting with the Ministry. Results of the survey allow the Ministry to continually improve its services to municipalities.

Results

Municipal client satisfaction in 2009-10 was 95 per cent, which met the target. Although satisfaction decreased by 1 per cent from 2007, the marginal decrease can most likely be attributed to statistical variance.

Performance Measure	Prior years' Results			Target	Actual
	2006-07	2007-08	2008-09	2009-10	2009-10
3.a: Client Satisfaction Survey: Percentage of municipal clients satisfied with overall quality of service	N/A	96.0%	N/A	>95.0%	95.0%

Source: 2007-08 and 2009-10 client satisfaction surveys. The Client satisfaction survey is completed every two years.

Supporting Provincial and Municipal Water Management Systems

Goal 4: Alberta has safe and effective provincial and municipal water management infrastructure

Key Accomplishments

In the past year, on behalf of Alberta Environment, the Ministry worked with partners to manage the design, construction and maintenance of the province's water management infrastructure to ensure Albertans have a safe supply of water for domestic, agriculture, industrial and recreational uses.

The Ministry met its target for completing the rehabilitation of the Carseland/Bow River Headworks system which is now 84 per cent complete. Rehabilitation of the river system will provide a safe and reliable irrigation water supply to nearly 237,000 acres of farmland as well as water for towns, industry, recreation and wildlife within the Bow River Irrigation District. The Ministry also provided over $286 million for 137 municipal multi-year water and wastewater projects, as well as 67 continuing projects, under the Alberta Municipal Water/Wastewater Partnership and Water for Life grant program.

A clean and safe supply of water

The Ministry completed the Little Bow Dam East Dyke construction and 90 per cent of the first stage in the rehabilitation of Travers Dam to improve flood management of the McGregor and Travers Dam Systems.

The rehabilitation of the Carseland/Bow River Headworks system which is now 84 per cent complete.

The Ministry also completed the Deadwood Drainage Project which will benefit the Municipal District of Northern Lights by improving drainage for a large sector of farm property and the erosion control structures on the drainage ditch.

Water management projects for communities across Alberta

Alberta has over 150 major water management systems (dams, diversion works, weirs, and control structures), and 510 kilometres of main irrigation canals. These water facilities provide secure water for over 50 municipalities and 490,000 hectares of irrigated land. In 2009-10, the Ministry provided funding for 137 municipal multi-year water and wastewater projects, including:

- construction of the wastewater treatment and water treatment facilities in the fast-growing community of Fort McMurray, which will provide clean and safe local drinking water for 130,000 people when completed.
- extension of the Capital Region Southwest Water Services Commission waterline to serve New Sarepta and Hay Lakes, and continued construction on other major regional projects such as the South Red Deer Regional Wastewater Commission serving Olds, Bowden and Innisfail, the Aspen Regional Water Commission serving Boyle, Colinton and Athabasca, and the Newell Regional Services Corporation serving Brooks and Tilley.

Measure 4.a – Progress on Completion of Major Water Management Construction Projects

Description

This measure represents construction progress on major water management projects. Related activities that precede the construction phase, such as project design and land acquisition, are not reflected in the measure.

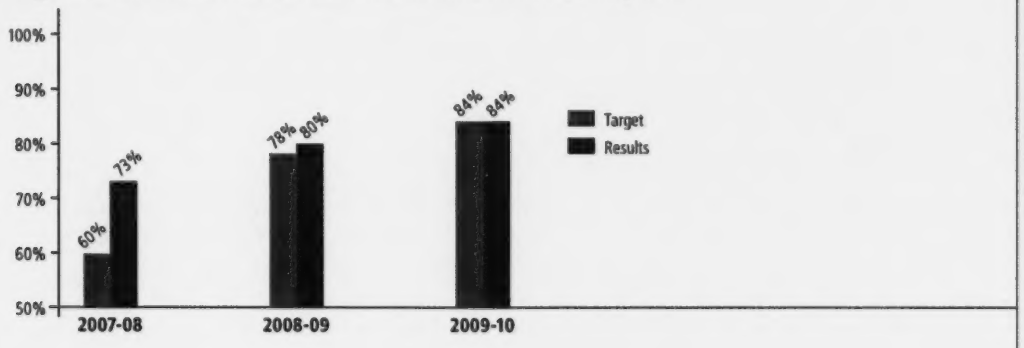
Rationale

Alberta Transportation works with Alberta Environment to provide quality water management facilities and a secure water supply for municipal, domestic, agriculture, industry, recreation and other purposes. Work includes building dams, reservoirs, and canals, in addition to the construction of flood management and erosion control measures. By measuring construction progress on major water management projects, the Ministry is able to monitor its success in completing projects that will help the provincial government meet its water management objectives.

Results

At 84 per cent completion, the target for the project was achieved in 2009-10. Work on the McGregor Reservoir Structures was completed, while major work was carried out on the Travers Reservoir Structures component of the project which is now 33 per cent complete. The work on the Little Bow Reservoir East Dyke construction was also completed.

Percentage of Carseland-Bow River Headworks Rehabilitation Completed



EXPENSE BY FUNCTION

Transportation's 2009-10 expenses can be classified into five of the Government of Alberta's expense functions. Each of these functions identifies the principal purpose for which Ministry expenditures are incurred.

Overall, approximately 96 per cent of the Ministry's expenditures support the function of Transportation, Communications and Utilities.

Ministry of Transportation
Expense by Function for the year ended March 31, 2010
(thousands of dollars)

	2009-10 Budget	2009-10 Actual	2008-09 Comparable
			(Restated)
Transportation, Communications and Utilities	2,165,192	2,271,474	2,180,679
Protection of Persons and Property	44,092	42,541	41,490
Environment	1,500	1,134	1,148
Agriculture, Resource Management and Economic Development	16,000	22,080	22,794
Debt Servicing Costs	20,913	20,913	18,211
Total Ministry Expenditures	**$ 2,247,697**	**$ 2,358,142**	**$ 2,264,322**

Financial Resources

Ministry of Transportation
Expense by Core Business for the year ended March 31, 2010
(thousands of dollars)

Original Budget (Estimates)	**$ 2,247,697**
Total Authorized Budget	**$ 2,391,529**
Actual Spending in 2009-10	**$ 2,358,142**

Overall, the total 2009-10 expenditures were higher than the original budget by $110 million. This additional expenditure was primarily due to in-year funding to support the Regional Municipality of Wood Buffalo for the Fort McMurray Community Development Plan and the Water/Wastewater Treatment project.

EXPENSE BY CORE BUSINESS

Developing and preserving the provincial highway network

Approximately $706 million was spent including:

- $320 million for provincial highway maintenance and preservation and
- $295 million on amortization.

Managing provincial transportation safety

Approximately $77 million was spent including:

- $40 million for Transportation Safety Services
- $28 million for Provincial Highway Systems and
- $9 million for operational support and the Transportation Safety Board.

Developing partnerships to support Alberta's interests in an integrated transportation system

Over $1.2 billion was spent for grants including:

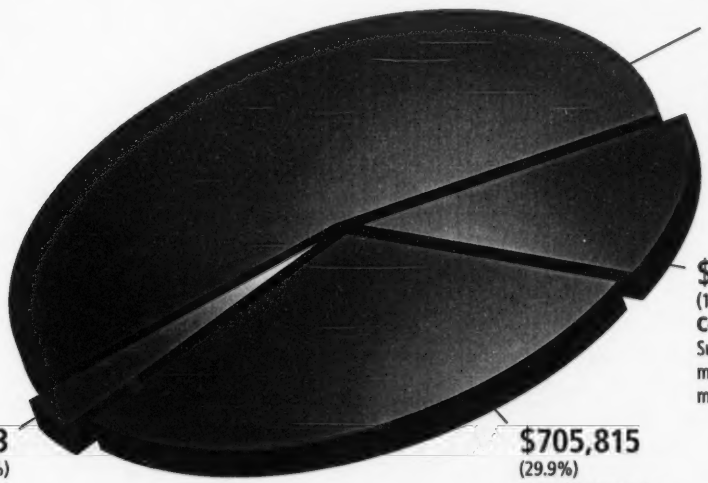
- $499 million for the Alberta Municipal Infrastructure Program
- $353 million for the Alberta Cities Transportation Partnerships and
- $224 million for the Building Canada Fund.

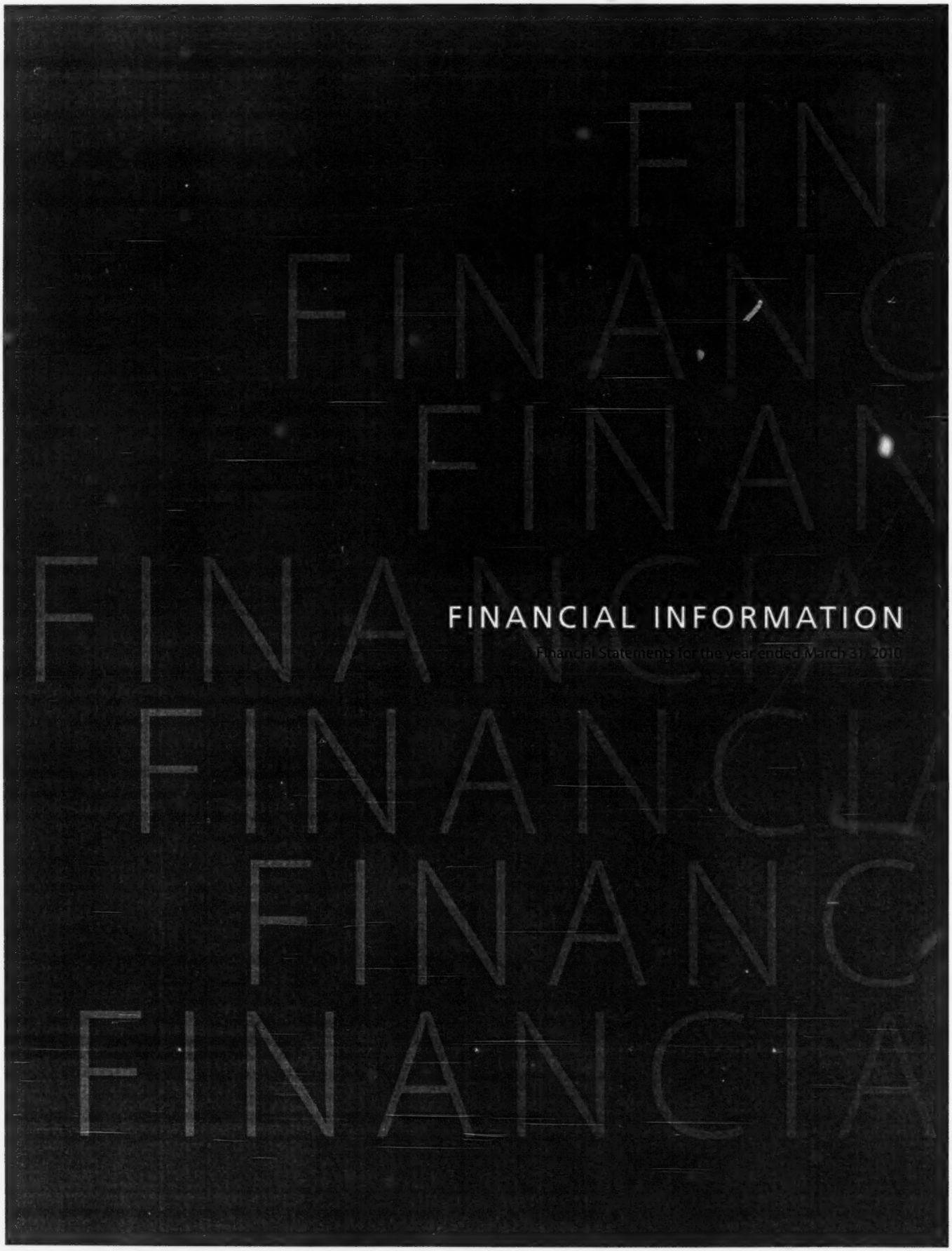
Supporting provincial and municipal water management systems

Approximately $287 million was spent on the Municipal Water Wastewater program.

Alberta Transportation 2009-10 Ministry Spending by Core Business (Expense)

(Thousands of dollars)




FINANCIAL INFORMATION
Financial Statements for the year ended March 31, 2010

CONTENTS

34 Auditor's Report

35 Statements of Operations

36 Statements of Financial Position

37 Statements of Cash Flows

38 Notes to the Financial Statements

53 Schedule 1 – Revenues

54 Schedule 2 – Credit or Recovery

55 Schedule 3 – Expenses – Directly Incurred Detailed by Object

56 Schedule 4 – Budget

57 Schedule 5 – Comparisons of Expenses - Directly Incurred, Equipment and Inventory Purchases (EIP) and Capital Investments and Statutory Expenses by Element to Authorized Budget

59 Schedule 6 – Salary and Benefits Disclosure

60 Schedule 7 – Related Party Transactions

61 Schedule 8 – Allocated Costs

Auditor's Report

AUDITOR GENERAL *Alberta*

To the Members of the Legislative Assembly

I have audited the statements of financial position of the Ministry of Transportation as at March 31, 2010 and 2009 and the statements of operations and cash flows for the years then ended. These financial statements are the responsibility of the Ministry's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Ministry as at March 31, 2010 and 2009 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Original Signed By Merwan N. Saher
CA
Auditor General

Edmonton, Alberta
June 3, 2010

MINISTRY OF TRANSPORTATION
STATEMENTS OF OPERATIONS
Year ended March 31

(in thousands)

	2010 Budget (Schedule 4)	2010 Actual	2009 Actual
Revenues (Schedule 1)			
Internal Government Transfers - Lottery Fund	$ 375,000	$ 301,792	$ 195,000
Transfers from Government of Canada (Note 6)	230,450	306,945	131,004
Fees, Permits and Licenses	16,340	17,630	21,584
Other Revenue	65,690	99,205	46,937
	687,480	725,572	394,525
Expenses - Directly Incurred (Note 2b and Schedule 8)			
Voted (Schedules 3 and 5)			
Ministry Support Services	27,875	26,435	24,407
Provincial Highway Systems and Safety	454,645	389,816	478,282
Municipal Support Programs	1,322,350	1,565,979	1,395,269
Other Programs and Services	34,842	34,993	39,483
Non-Cash Items	387,072	330,759	303,489
Debt Servicing Costs (Note 7)	20,913	20,913	18,211
	2,247,697	2,368,895	2,259,141
Statutory (Schedules 3 and 5)			
Valuation Adjustments			
Provision for Doubtful Accounts	-	4	(603)
Provision for Vacation Pay	-	497	1,068
Provision for Future Site Remediation and Reclamation	-	(11,254)	4,716
	-	(10,753)	5,181
Total Expenses	2,247,697	2,358,142	2,264,322
Loss on Disposal of Tangible Capital Assets	-	(2,302)	(5,408)
Net Operating Results	$ (1,560,217)	$ (1,634,872)	$ (1,875,205)

The accompanying notes and schedules are part of these financial statements.

MINISTRY OF TRANSPORTATION
STATEMENTS OF FINANCIAL POSITION
As at March 31

	(in thousands) 2010	2009
ASSETS		
Cash and Cash Equivalents	$ 312	$ 134
Accounts Receivable (Note 3)	235,135	26,536
Advances	50	50
Inventories	16,173	11,860
Tangible Assets Held for Transfer (Note 4)	132,820	116,617
Tangible Capital Assets (Note 5)	12,156,604	10,783,578
	$ 12,541,094	$ 10,938,775
LIABILITIES		
Accounts Payable and Accrued Liabilities	$ 333,242	$ 273,333
Holdbacks Payable	43,553	46,679
Unearned Revenue	1,993	23,073
Obligations under Public Private Partnerships (Note 7)	991,468	719,674
Liabilities for Future Site Remediation and Reclamation (Note 2b)	5,938	17,192
	$ 1,376,194	$ 1,079,951
NET ASSETS		
Net Assets at Beginning of Year	$ 9,858,824	$ 8,925,733
Acquisition of Highways (Note 5a)	37,901	-
Net Operating Results	(1,634,872)	(1,875,205)
Net Financing Provided from General Revenues	2,903,047	2,808,296
Net Assets at End of Year	11,164,900	9,858,824
	$ 12,541,094	$ 10,938,775

The accompanying notes and schedules are part of these financial statements.

MINISTRY OF TRANSPORTATION
STATEMENTS OF CASH FLOWS
Year ended March 31

	(in thousands) 2010	2009
Operating Transactions		
Net Operating Results	$ (1,634,872)	$ (1,875,205)
Non-cash items included in Net Operating Results:		
Amortization of Capital Assets and Consumption of Inventory	329,470	301,888
Loss on Disposal of Tangible Capital Assets	2,302	5,408
Non-Cash Adjustment	703	-
Grants in Kind	1,289	1,601
Donated Tangible Capital Assets	(63,775)	(7,811)
Valuation Adjustments	(10,753)	5,181
	(1,375,636)	(1,568,938)
Changes in Working Capital		
(Increase) Decrease in Accounts Receivable	(208,603)	72,420
Decrease in Advances	-	3
Increase in Accounts Payable and Accrued Liabilities	59,412	102,467
(Decrease) Increase in Holdbacks Payable	(3,126)	8,821
(Decrease) Increase in Unearned Revenue	(21,080)	19,573
Cash Applied to Operating Transactions	(1,549,033)	(1,365,654)
Capital and Inventory Transactions		
Acquisition of Tangible Capital Assets	(1,324,112)	(1,411,939)
Purchase of Inventories	(38,638)	(34,356)
Transfer of Tangible Assets to Other Government Entities	15,264	8,376
Proceeds from Disposal of Tangible Capital Assets	195	87
Cash Applied to Capital and Inventory Transactions	(1,347,291)	(1,437,832)
Financing Transactions		
Repayment of Obligations under Public Private Partnerships	(6,545)	(5,216)
Net Financing Provided from General Revenues	2,903,047	2,808,296
Cash Provided by Financing Transactions	2,896,502	2,803,080
Increase (Decrease) in Cash and Cash Equivalents	178	(406)
Cash and Cash Equivalents, Beginning of Year	134	540
Cash and Cash Equivalents, End of Year	$ 312	$ 134

The accompanying notes and schedules are part of these financial statements.

MINISTRY OF TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
Year ended March 31

NOTE 1 AUTHORITY AND PURPOSE

The Ministry of Transportation (the Ministry) operates under the authority of the Government Organization Act, Chapter G-10, Revised Statutes of Alberta 2000.

The Minister of Transportation (the Minister) is responsible for:

- leading the planning, construction and preservation of our provincial highway network to connect Alberta's communities and support the Province's economic and social growth;
- leading provincial transportation safety services and providing a wide range of education, information and enforcement programs along with engineering solutions to promote safe driving, vehicles, roads, railways, and the transport of dangerous goods;
- designing, constructing and maintaining the Province's water management infrastructure on behalf of the Ministry of Environment;
- managing numerous federal and provincial grant programs to help municipalities develop and preserve their transportation systems, as well as their water and wastewater treatment systems for Albertans; and
- representing Alberta's interests in a sustainable and integrated transportation system at all levels of government, as well as national and international trade and regulatory harmonization.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared primarily in accordance with Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. The PSAB financial statements presentation standard for government summary financial statements has been modified to more appropriately reflect the nature of the departments.

(a) Reporting Entity

The reporting entity is the Ministry of Transportation for which the Minister of Transportation is accountable. The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance and Enterprise. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net financing provided from General Revenues is the difference between all cash receipts and all cash disbursements made.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return. Internal government transfers are recognized as revenue when received.

Transfers from Government of Canada

Transfers from the Government of Canada are recognized as revenues when authorized by federal legislation or federal/provincial agreements, eligibility criteria, if any, are met, and a reasonable estimate of the amounts can be made. Payments received in excess of the estimated amounts applicable to the fiscal year are deferred and included in unearned revenue. Externally restricted revenue is recognized as revenue in the period in which the resources are used for the purpose specified. Payments received prior to meeting this criterion are included in unearned revenue until the resources are used for the purpose specified. Payments due to be received where revenue recognition criteria has been met are included in accounts receivable.

Credit or Recovery

Credit or recovery initiatives provide a basis for authorizing spending. Credits or Recoveries are shown in the details of the Government Estimates for a supply vote. If budgeted revenues are not fully realized, spending is reduced by an equivalent amount. If actual credit or recovery amounts exceed budget, the Ministry may, with the approval of the Treasury Board, use the excess to fund additional expenses of the program. Schedule 2 discloses information on the Ministry's credit or recovery initiatives.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for, as reflected in the Government's budget documents.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(b) Basis of Financial Reporting (continued)

In addition to program operating expenses such as salaries, supplies, etc., directly incurred expenses also include:

- amortization of tangible capital assets
- pension costs, which are the cost of employer contributions during the year.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.
- government transfers which are transfers of money to an individual, an organization or another government for which the Ministry does not receive any goods or services directly in return. The major types of transfers and corresponding recognition criteria are as follows:
  - grants are recognized as expenses when authorized, eligibility criteria, if any are met and a reasonable estimate of the amounts can be made;
  - entitlements, which are non-discretionary because the amounts and recipients are prescribed, are recognized when eligibility occurs;
  - transfers under shared cost agreements, which are reimbursements of eligible expenditures, are recognized when the expenditures occur.

Incurred by Others

Services contributed by other entities in support of the Ministry operations are disclosed in Schedule 8.

Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets of the Ministry are limited to cash and financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Inventories consist of consumables (i.e. salt, sand and gravel) for the delivery of highway transportation programs and are valued at lower of cost or replacement cost.

Assets acquired by right are not included. Tangible capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $250,000 and the threshold for major systems enhancements is $100,000. The threshold for all other tangible capital assets is $5,000. All land is capitalized.

Donated tangible capital assets are recorded at their fair value at the time of contribution.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(b) Basis of Financial Reporting (continued)

When physical assets (tangible capital assets and inventories) are gifted or sold for a nominal sum, the fair values of these physical assets, less any nominal proceeds, are recorded as grants in kind.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in a sacrifice of economic benefits in the future.

Net Assets

Net assets represent the difference between the carrying value of assets held by the Ministry and its liabilities.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash and cash equivalents, accounts receivable, advances, accounts payable, accrued liabilities, and holdbacks are estimated to approximate their carrying values because of the short term nature of these instruments.

Public Private Partnership (P3)

A Public Private Partnership (P3) is defined as a cooperative venture based on contractual obligations between one or more public/private/not-for-profit partners that meet clearly defined public needs for the provision of goods or services.

The Ministry accounts for P3 projects in accordance with the substance of the underlying agreements. Agreements that transfer substantially all the risks and rewards of ownership of the assets are classified as capital leases and are accounted for as follows:

- The capital asset value and the corresponding liabilities are recorded at the net present value (NPV) of the minimum lease payments discounted using the Government of Alberta's borrowing rate for long term debt.
- During construction, the capital asset (classified as work in progress) and the corresponding liability are recorded based on the estimated percentage complete.
- Amortization on a straight-line basis over the estimated useful life commences when the asset is in service.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(b) Basis of Financial Reporting (continued)

Measurement Uncertainty
(in thousands)

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount.

Site Remediation and Reclamation

Liabilities for Future Site Remediation and Reclamation recorded as $5,938 (2009 - $17,192) in these financial statements are subject to measurement uncertainty. The Ministry has compiled a list of all potential sites and reviews the list at least annually. The site remediation and reclamation liability is recorded when the sites are no longer in operation and where remediation is legally enforceable.

The recorded amount is based on management's estimates and historical costs to remediate or reclaim sites as well as expected expenditures on future reclamation activity. Actual costs may vary from these estimates and the variances may be material.

NOTE 3 ACCOUNTS RECEIVABLE
(in thousands)

	2010			2009
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Transfers from Government of Canada (Note 6)	$ 136,045	$ -	$ 136,045	$ 6,269
Internal Government Transfers - Lottery Fund	69,592	-	69,592	-
Grants and Contributions	15,556	-	15,556	11,182
Rental and Other	8,538	-	8,538	461
Refunds from Suppliers	425	-	425	1,043
Payments Under Agreement (Note 11)	-	-	-	2,183
Fees, Permits and Licenses	1,625	33	1,592	2,174
Cost Recoveries	3,387	-	3,387	3,224
	$ 235,168	$ 33	$ 235,135	$ 26,536

Accounts receivable are unsecured and non-interest bearing.

NOTE 4 TANGIBLE ASSETS HELD FOR TRANSFER
(in thousands)

Dams and water management structures are constructed by the Ministry and transferred to the Department of Environment upon their completion. The Ministry of Transportation does not amortize these assets.

	2010 Historical Cost			
	Beginning of Year	Additions	Transfers, Adjustments, and Write-downs	End of Year
Dams and water management structures	$ 116,617	$ 31,015	$ (14,812)	$ 132,820
2009 Total	$ 89,771	$ 35,299	$ (8,453)	$ 116,617

MINISTRY OF TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
Year ended March 31

NOTE 5 TANGIBLE CAPITAL ASSETS
(in thousands)

The cost of assets and the related accumulated amortization for the Ministry are summarized below.

		2010 Historical Cost [1]			
	Estimated Useful Life	Beginning of Year	Additions	Disposals, Adjustments, and Write-downs	End of Year
Land	Indefinite	$ 481,064	$ 81,199	$ (836)	$ 561,427
Buildings	40 years	7,200	-	(1,001)	6,199
Equipment	5-40 years	12,656	-	(5,944)	6,712
Computer hardware and software	3-10 years	91,097	10,366	(665)	100,798
Provincial highways and roads [2]	20-50 years	12,373,872	1,372,994	(51,439)	13,695,427
Bridges	50 years	1,332,875	166,680	83,381	1,582,936
Other [3]	3-40 years	23,605	3,971	8,602	36,178
		$ 14,322,369	$ 1,635,210	$ 32,098	$ 15,989,677
2009 Total		$ 12,668,222	$ 1,670,008	$ (15,861)	$ 14,322,369

	2010 Accumulated Amortization				Net Book Value	
	Beginning of Year	Amortization Expense	Effect of Disposals	End of Year	March 31, 2010	March 31, 2009
Land	$ -	$ -	$ -	$ -	$ 561,427	$ 481,064
Buildings	3,590	158	-	3,748	2,451	3,610
Equipment	2,858	216	-	3,074	3,638	9,798
Computer hardware and software	56,472	8,849	-	65,321	35,477	34,625
Provincial highways and roads [2]	3,143,264	251,935	(841)	3,394,358	10,301,067	9,230,608
Bridges	322,134	31,435	-	353,569	1,229,368	1,010,741
Other [3]	10,473	2,530	-	13,003	23,176	13,132
	$ 3,538,791	$ 295,123	$ (841)	$ 3,833,073	$ 12,156,604	$ 10,783,578
2009 Total	$ 3,282,348	$ 264,135	$ (7,692)	$ 3,538,791		

NOTE 5 TANGIBLE CAPITAL ASSETS (continued)
(in thousands)

(1) Included in the cost of land improvements, buildings equipment, computer hardware and software, provincial highways and roads, and bridges is work in progress amounting to $1,335,386 (2009 - $1,456,071). Included in this work in progress amount is the estimated progress to date of $832,621 (2009 - $420,432) on the North West Anthony Henday Ring Road. See Note 7.
(2) Highways include original pavement and repaving overlays that represent improvements, roadbed, drainage works, and traffic control devices.
(3) Includes trailers, leasehold improvements, and vehicle inspection stations.

(a) Acquisition of highways and bridges in the City of Calgary
Under an agreement between the City of Calgary and the Province, the City of Calgary transferred the title, control and management of the existing structures of a portion of the Stoney Trail North West Ring Road to the Province, effective November 2, 2009. The Ministry recorded the acquisition of the highways and bridges as an increase in net assets. The Ministry recorded the assets at their net book value at the date of transfer, in the amount of $37,901.

NOTE 6 FEDERAL SUPPORT FOR INFRASTRUCTURE
(in thousands)

The Ministry receives support for infrastructure from the Government of Canada through the following federal programs: Federal Gas Tax Fund, Canada Strategic Infrastructure Fund (CSIF), Public Transit Fund, Provincial Base Fund, Building Canada Fund, and Infrastructure Stimulus Fund. Transfers from the Federal Government are recognized as revenues when authorized by federal legislation or federal/provincial agreements, eligibility criteria, if any, are met, and a reasonable estimate of the amounts can be made. The full cost of provincial projects will be capitalized and amortized over the useful life of the infrastructure. The summary of each federal initiative is as follows:

NOTE 6 FEDERAL SUPPORT FOR INFRASTRUCTURE (continued)
(in thousands)

Federal Gas Tax Fund
In 2005-06, the Federal Government announced the New Deal for Cities and Communities. Under this program, the Federal Government will contribute $476,907 in funding to the Ministry over a five year period for Municipal Infrastructure ending in 2009-10. Subsequently, this program was renamed to Federal Gas Tax Fund and was extended for four years ending 2013-14 with $798,012 in additional funding. The total funding under this program will be $1,274,919. The program provides financial assistance for sustainable capital municipal infrastructure in support of cleaner air and water, and the reduction of greenhouse gases.

Canada Strategic Infrastructure Fund
The Canada Strategic Infrastructure Fund (CSIF) is a program whereby the Federal Government contributes funding to large scale infrastructure projects across the country. In 2009-10, there is one project that the Ministry is receiving funding for under CSIF - Highway 63 twinning of approximately 100 kilometers of road to Fort McMurray (up to $150,000 over 7 years beginning in 2009-10). Two completed projects that the Ministry had received funding for are Edmonton Southeast Anthony Henday Ring Road ($75,000 over 3 years beginning in 2005-06) and Calgary Northwest Stoney Trail Ring Road ($75,000 over 4 years beginning in 2005-06).

Public Transit Fund
The Public Transit Fund is a program whereby the Federal Government supported capital investment projects in public transit infrastructure that were jointly identified by the Government of Canada and those municipalities with public transit.

Provincial Base Fund
The Provincial Base Fund is a program whereby the Federal Government contributes funding to the provinces to repair bridges, local roads and secondary highways from 2009 to 2011.

Building Canada Fund
In 2008-09, the Federal Government announced the Building Canada Fund that is comprised of two programs: the Major Infrastructure Component and the Communities Component. The Major Infrastructure Component will focus on large, strategic projects of national and regional priority. This program requires a matching provincial contribution.

The Communities Component will focus on smaller-scale projects in communities with a population of less than 100,000. This program requires matching contribution from the province and municipalities. In 2009-10, the Federal Government committed to additional projects as a top-up to the Communities Component program.

NOTE 6 FEDERAL SUPPORT FOR INFRASTRUCTURE (continued)

(in thousands)

Infrastructure Stimulus Fund

In 2009-10, the Federal Government established the Infrastructure Stimulus Fund to focus on rehabilitation work needed to maintain the safety and extend the useful life of existing infrastructure while stimulating economic growth in the short term. Funding is only available for projects that will be substantially complete by March 31, 2011. This program requires matching contribution from the province and municipalities.

Revenue and Accounts Receivable recorded under Federal Support for Infrastructure are as follows:

	2010		2009	
	Revenue	Receivable	Revenue	Receivable
Federal Gas Tax Fund	$ 190,387	$ 93,425	$ 93,801	$ 20
Canada Strategic Infrastructure Fund	8,089	8,089	5,000	5,500
Public Transit Fund	20,404	-	31,360	-
Building Canada Fund: Major Infrastructure Component	17,700	1,529	-	-
Building Canada Fund: Communities Component and Top Up	10,976	1,776	-	-
Provincial Base Fund	28,154	22,154	-	-
Infrastructure Stimulus Fund	30,380	8,956	-	-
	$ 306,090	**$ 135,929**	**$ 130,161**	**$ 5,520**

NOTE 7 LIABILITIES UNDER CAPITAL LEASES
(in thousands)

Public Private Partnerships
The Ministry has entered into contracts for the design, finance, build and maintenance of the following public private partnerships: Anthony Henday- South East Edmonton Ring Road, Stoney Trail- North East Calgary Ring Road, Anthony Henday- North West Edmonton Ring Road and Stoney Trail – South East Calgary Ring Road.

The details of the 33 year contracts are as follows:

Project	Contractor	Date contract entered into	Scheduled completion date	Date capital payments begin[a]
Anthony Henday - South East Edmonton Ring Road	Access Roads Edmonton Ltd. (a consortium of companies)	January 2005	October 2007	November 2007
Stoney Trail - North East Calgary Ring Road	Stoney Trail Group (a consortium of companies)	February 2007	October 2009	November 2009
Anthony Henday - North West Edmonton Ring Road	NORTHWESTCONNECT GENERAL PARTNERSHIP (a consortium of companies)	July 2008	October 2011	November 2011
Stoney Trail - South East Calgary Ring Road	CHINOOK ROADS PARTNERSHIP (a consortium of companies)	March 2010	September 2013	October 2013

(a) Capital payments begin on the date specified or upon completion of the project, whichever is later.

The calculation of the liabilities under capital leases are as follows:

	2010 Total	2009 Total
Liabilities, beginning of year	$ 719,674	$ 439,334
Additions to liabilities during the year	278,339	285,556
Principal payments	(6,545)	(5,216)
Liabilities, end of year	$ 991,468	$ 719,674

NOTE 8 CONTRACTUAL OBLIGATIONS
(in thousands)

Contractual obligations are obligations of the Ministry to others that will become liabilities in the future when the terms of those contracts or agreements are met.

	2010	2009
Capital Investment		
Construction Contracts and Service Agreements	$ 978,831	$ 803,035
Expense		
Maintenance Contracts and Service Agreements	681,777	552,083
Grants	703,187	1,461,617
Long-term Leases	6	107
Obligations under capital leases		
Operation and maintenance payments	1,521,957	1,110,979
Progress Payments	515,500	401,000
Capital Payments	2,904,928	2,467,043
	$ 7,306,186	$ 6,795,864

Estimated payment requirements for each of the next five years and thereafter as follows:

Obligations Under Operating Leases, Contracts and Programs

	Capital Investment	Expense			
	Construction Contracts and Service Agreements	Maintenance Contracts and Service Agreements	Grants	Leases	Total
2010-11	$ 725,385	$ 231,844	$ 703,187	$ 6	$ 1,660,422
2011-12	191,933	164,025	-		355,958
2012-13	50,259	122,027	-	-	172,286
2013-14	8,862	88,467	-	-	97,329
2014-15	2,267	58,813	-	-	61,080
Thereafter	125	16,601	-	-	16,726
	$ 978,831	$ 681,777	$ 703,187	$ 6	$ 2,363,801

NOTE 8 CONTRACTUAL OBLIGATIONS (continued)
(in thousands)

Obligations under Capital Leases

	Operations and Maintenance Payments	Progress Payments	Capital Payments
2010-11	$ 23,106	$ 161,500	$ 33,101
2011-12	25,072	195,000	54,039
2012-13	32,322	110,000	83,354
2013-14	36,867	49,000	91,110
2014-15	40,843	-	98,865
Thereafter	1,363,747	-	2,544,459
	$ 1,521,957	$ 515,500	2,904,928
Less amount representing interest			(1,381,062)
Total NPV of capital payments at scheduled completion date			$ 1,523,866

NOTE 9 CONTINGENT LIABILITIES
(in thousands)

At March 31, 2010, the Ministry is a defendant in one hundred and thirty-seven legal/other claims (2009 – one hundred and twenty-seven claims). One hundred and five of these claims have specified amounts totaling $438,883 and the remaining thirty two have no specified amounts (2009 – ninety-seven claims with a specified amount of $365,054 and thirty with no specified amount). Included in the total legal claims are seven claims in which the Ministry has been jointly named with other entities, six of which have specified claims amounting to $202,743 (2009 – $200,410). Forty-seven claims amounting to $48,597(2009 – fifty-five claims amounting to $52,228) are covered by the Alberta Risk Management Fund.

The resulting loss, if any, from these claims cannot be determined.

NOTE 10 TRUST FUNDS UNDER ADMINISTRATION
(in thousands)

The Ministry administers trust funds that are regulated funds consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purpose of various trusts, they are not included in the Ministry's financial statements.

At March 31, 2010, trust funds under the Ministry's administration were as follows:

	2010	2009
Impaired Driving Initiatives Trust Fund	$ 368	$ 322
	$ 368	$ 322

The Impaired Driving Initiatives Trust Fund holds fines from individuals convicted of impaired driving. Trust funds are used for education programs.

NOTE 11 PAYMENTS UNDER AGREEMENT
(in thousands)

The Ministry has entered into agreements to deliver programs and services that are partly funded by the Government of Canada, the Kananaskis Improvement District and private companies. Costs incurred under these agreements are made by the Ministry under authority of the Financial Administration Act, Section 25. Amounts paid and payable under agreements with program sponsors are as follows:

	2010	2009
Government of Canada (program sponsor) Infrastructure Canada – Alberta Program	$ 1,328	$ 2,429
Kananaskis Improvement District (program sponsor) Roadway maintenance	73	73
Tourism Oriented Directional Signage (TODS) and Logo Signs Program	1,795	1,689
	$ 3,196	$ 4,191

Accounts receivable relating to payments under agreement is zero in 2009-10 (2009 - $2,183).

NOTE 12 BENEFIT PLANS
(in thousands)

The Ministry participates in the multi-employer pension plans, Management Employee Pension Plan and Public Service Pension Plan. The Ministry also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense of these pension plans is equivalent to the annual contributions of $6,983 for the year ended March 31, 2010 (2009 - $6,327 as restated).

At December 31, 2009, the Management Employees Pension Plan reported a deficiency of $483,199 (2008 - deficiency $568,574) and the Public Service Pension Plan reported a deficiency of $1,729,196 (2008 - deficiency $1,187,538). At December 31, 2009, the Supplementary Retirement Plan for Public Service Managers had a deficiency of $39,516 (2008 - deficiency $7,111).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2010, the Bargaining Unit Plan reported an actuarial deficiency of $8,335 (2009 - deficiency $33,540) and the Management, Opted Out and Excluded Plan an actuarial surplus of $7,431 (2009 - deficiency $1,051). The expense for these two plans is limited to the employer's annual contribution for the year.

NOTE 13 COMPARATIVE FIGURES

Certain 2009 figures have been reclassified to conform to the 2010 presentation.

NOTE 14 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

MINISTRY OF TRANSPORTATION
SCHEDULES TO FINANCIAL STATEMENTS
REVENUES
Year ended March 31

Schedule 1

(in thousands)

	2010		2009
	Budget	Actual	Actual
Internal Government Transfers			
Transfer from Lottery Fund	$ 375,000	$ 301,792	$ 195,000
Transfers from Government of Canada			
Cost Recoveries and Contributions	230,450	306,945	131,004
Fees, Permits and Licenses			
Motor Transport Services & Other Premiums	16,340	17,630	21,584
Other Revenue			
Investment Income (Loss)	-	14	(19)
Refunds of Expenditure	1,475	4,255	8,125
Tourism Highway Signage Initiative	2,000	1,795	1,689
Cost Recoveries	-	4,784	4,942
Grants and Contributions	6,570	21,849	23,647
Donated Tangible Capital Assets	55,000	61,980	6,122
Miscellaneous	645	4,528	2,431
	65,690	99,205	46,937
	$ 687,480	$ 725,572	$ 394,525

MINISTRY OF TRANSPORTATION
SCHEDULE TO FINANCIAL STATEMENTS
CREDIT OR RECOVERY
Year ended March 31

Schedule 2

	(in thousands) 2010		
	Authorized	Actual	(Shortfall)/ Excess
Expense			
Motor Transport Permits and Licences	$ 2,300	$ 2,300	$ -
Canada-Alberta Municipal Rural Infrastructure Fund	250	246	(4)
Natural Resources Canada	136	109	(27)
Bridge Maintenance	20	20	-
	$ 2,706	$ 2,675	$ (31) (1)
Capital Investment			
Provincial Highway Systems	$ 84,545	$ 80,938	$ (3,607)
Water Management Infrastructure	6,570	5,632	(938)
Tourism Highway Signage Initiative	2,000	1,795	(205)
	$ 93,115	$ 88,365	$ (4,750) (1)

(1) Shortfall is deducted from current year's authorized budget, as disclosed in Schedules 4 and 5 to the financial statements.

Motor Transport Permits and Licences
A portion of the revenue for Motor Transport Permits and Licenses has been allocated to credit or recovery. This revenue partially offsets expenditures made to accommodate Alberta's increasing traffic volumes.

Canada-Alberta Municipal Rural Infrastructure Fund
The Canada-Alberta Municipal Rural Infrastructure Fund is a joint project with the Federal Government and Municipalities. The Federal Government is reimbursing for the administrative costs of this project.

Natural Resources Canada
There is an one year agreement between Natural Resources Canada, Statistics Canada and Alberta Transportation to assist jurisdictions to integrate their data into a roads database.

Bridge Maintenance
Canadian Forest Products Ltd. is contributing to the maintenance of the Dunvegan Bridge by providing $200 of funding over 10 years beginning in 2007-2008.

Provincial Highway Systems
The private sector and municipalities are contributing to the capital investment in new roads, bridges, interchanges and Vehicle Inspection Station equipment in the province.

Water Management Infrastructure
A non-profit organization is contributing to the construction of a dam at the Calgary Bow River over 4 years starting in 2008-09.

Tourism Highway Signage Initiative
The private sector is contributing to the capital investment in new tourism highway-sign structures in the province.

The above credits or recoveries are included in the Statement of Operations.

MINISTRY OF TRANSPORTATION
SCHEDULES TO FINANCIAL STATEMENTS
EXPENSES - DIRECTLY INCURRED DETAILED BY OBJECT
Year ended March 31

Schedule 3

(in thousands)

	2010 Budget	2010 Actual	2009 Actual
Voted:			
Salaries, Wages and Employee Benefits	$ 79,808	$ 77,708	$ 75,175
Supplies and Services	436,943	370,285	467,247
Grants	1,347,861	1,570,415	1,396,519
Financial Transactions and Other	21,013	21,017	18,312
Amortization of Tangible Capital Assets and Consumption of Inventory	362,072	329,470	301,888
Total Voted Expenses	$ 2,247,697	$ 2,368,895	$ 2,259,141
Statutory:			
Valuation Adjustments			
Provision for Doubtful Accounts	$ -	$ 4	$ (603)
Provision for Vacation Pay	-	497	1,068
Provision for Future Site Remediation and Reclamation	-	(11,254)	4,716
	$ -	$ (10,753)	$ 5,181

MINISTRY OF TRANSPORTATION
SCHEDULE TO FINANCIAL STATEMENTS
BUDGET
Year Ended March 31

Schedule 4

(in thousands)
2009-2010

	Estimates	Adjustment (a)	Budget	Authorized Supplementary (b)	Authorized Budget
Revenues					
Transfer from Alberta Lottery Fund	$ 375,000	$ -	$ 375,000	$ -	$ 375,000
Transfers from Government of Canada	230,450	-	230,450	-	230,450
Fees, Permits and Licenses	16,340	-	16,340	-	16,340
Investment Income	-	-	-	-	-
Other Revenue	65,690	-	65,690	-	65,690
	687,480	-	687,480	-	687,480
Expenses - Directly Incurred					
Voted Expenses					
Ministry Support Services	27,875	-	27,875	(408)	27,467
Provincial Highway Systems and Safety	454,645		454,645	(6,900)	447,745
Municipal Support Programs	1,322,350	69,900	1,392,250	131,310	1,523,560
Other Programs and Services	34,842	136	34,978	250	35,228
Non-Cash Items	387,072	-	387,072	(50,425)	336,647
Debt Servicing Costs	20,913	-	20,913	-	20,913
Credit or Recovery Shortfall (Schedule 2)	-	(31)	(31)	-	(31)
	2,247,697	70,005	2,317,702	73,827	2,391,529
Statutory Expenses					
Valuation Adjustments	-	-	-	-	-
	2,247,697	70,005	2,317,702	73,827	2,391,529
Net Operating Results	$ (1,560,217)	$ (70,005)	$ (1,630,222)	$ (73,827)	$ (1,704,049)
Equipment/Inventory Purchases	$ 35,009	$ -	$ 35,009	$ -	$ 35,009
Capital Investment	$ 1,482,278	$ 332,748	$ 1,815,026	$ -	$ 1,815,026
Credit or Recovery Shortfall (Schedule 2)	-	(4,750)	(4,750)	-	(4,750)
	$ 1,482,278	$ 327,998	$ 1,810,276	$ -	$ 1,810,276
Statutory Capital Investment	$ 339,590	$ -	$ 339,590	$ -	$ 339,590
Voted Non-Budgetary Disbursements	$ 6,545	$ -	$ 6,545	$ -	$ 6,545

(a) Adjustments include credit or recovery increases, credit or recovery shortfalls, and increases as a result of approved capital carry-over of the 2008-09 unused appropriation, pursuant to the *Financial Administration Act, section 28.1.*

(b) Supplementary Estimates were approved on February 17, 2010.
Treasury Board approval is pursuant to section 24(2) of the *Financial Administration Act* (for net budgeted initiatives).

MINISTRY OF TRANSPORTATION
SCHEDULE TO FINANCIAL STATEMENTS
COMPARISON OF EXPENSES - DIRECTLY INCURRED, EIP AND CAPITAL INVESTMENT AND STATUTORY EXPENSES
BY ELEMENT TO AUTHORIZED BUDGET
Year ended March 31

Schedule 5

(In thousands)

		2009-10						
		Estimates	Adjustments (a)	Budget	Authorized Supplementary (b)	Authorized Budget	Actual Expense	Unexpended (Over Expended)
Voted Expense, Debt Servicing Costs, EIP and Capital Investments								
1	**Ministry Support Services**							
1.0.1	Minister's Office	$ 543	$ -	$ 543	$ -	$ 543	$ 530	$ 13
1.0.2	Deputy Minister's Office	626	-	626	-	626	621	5
1.0.3	Communications	777	-	777	(6)	771	731	40
1.0.4	Strategic Services							
	- Expense	25,929	-	25,929	(402)	25,527	24,554	973
	- Equipment/Inventory Purchases	9,709	-	9,709	-	9,709	10,366	(657)
Total Program 1		37,584	-	37,584	(408)	37,176	36,802	374
2	**Provincial Highway Systems and Safety**							
2.0.1	Provincial Highway Maintenance							
	- Expense	313,647	-	313,647	(3,500)	310,147	266,840	43,307
	- Equipment/Inventory Purchases	25,300	-	25,300	-	25,300	38,638	(13,338)
2.0.2	Provincial Highway Preservation							
	- Expense	13,436	-	13,436	(2,760)	10,676	2,768	7,908
	- Expense funded by Lotteries	50,000	-	50,000	-	50,000	50,000	-
2.0.3	Provincial Highway Systems							
	- Expense	34,109	-	34,109	-	34,109	29,584	4,525
	- Equipment/Inventory Purchases	-	-	-	-	-	71	(71)
	- Capital Investment	335,673	4,550	340,223	-	340,223	294,537	45,686
2.0.4	Transportation Safety Services	42,175	-	42,175	(600)	41,575	39,517	2,058
2.0.5	Transportation Safety Board	1,278	-	1,278	(40)	1,238	1,106	132
2.0.6	Strategic Economic Corridor Investment Initiative							
	- Debt Servicing Costs	20,913	-	20,913	-	20,913	20,913	-
	- Capital Investment	846,407	264,462	1,110,869	-	1,110,869	778,071	332,798
2.0.7	Provincial Highway Rehabilitation							
	- Capital Investment	109,017	27,231	136,248	-	136,248	195,066	(58,818)
	- Capital Investment funded by Lotteries	120,000	-	120,000	-	120,000	46,792	73,208
Total Program 2		1,911,955	296,243	2,208,198	(6,900)	2,201,298	1,763,903	437,395
3	**Municipal Support**							
3.0.1	Alberta Municipal Infrastructure Program	485,773	-	485,773	12,727	498,500	499,323	(823)
3.0.2	Alberta Cities Transportation Partnerships							
	- Expense	212,125	-	212,125	86,135	298,260	323,193	(24,933)
	- Expense funded by Lotteries	30,000	-	30,000	-	30,000	30,000	-
3.0.3	Rural Transportation Partnerships							
	- Expense	12,000	-	12,000	-	12,000	24,162	(12,162)
	- Expense funded by Lotteries	50,000	-	50,000	-	50,000	50,000	-
3.0.4	Resource Road Program	16,000	-	16,000	12,000	28,000	22,080	5,920
3.0.5	Streets Improvement Program							
	- Expense	6,700	-	6,700	8,300	15,000	12,177	2,823
	- Expense funded by Lotteries	25,000	-	25,000	-	25,000	25,000	-
3.0.6	Municipal Water Wastewater Program/Water for Life							
	- Expense	88,300	-	88,300	75,860	164,160	186,057	(21,897)
	- Expense funded by Lotteries	100,000	-	100,000	-	100,000	100,000	-
3.0.7	Green Transit Incentives Program (GreenTRIP)	10,000	-	10,000	(10,000)	-	-	-
3.0.8	Federal Public Transit Trust	6,400	-	6,400	15,140	21,540	20,404	1,136
3.0.9	Building Canada- Gas Tax Fund	190,800	-	190,800	-	190,800	190,387	413
3.0.10	Building Canada- Communities Component	66,000	69,900	135,900	(81,100)	54,800	34,128	20,672
3.0.11	Canada-Alberta Municipal Rural Infrastructure Fund	22,752	-	22,752	12,248	35,000	49,068	(14,068)
3.1.12	Infrastructure Canada-Alberta Program	500	-	500	-	500	-	500
Total Program 3		1,322,350	69,900	1,392,250	131,310	1,523,560	1,565,979	(42,419)
4	**Other Programs And Services**							
4.0.1	Capital for Emergent Projects							
	- Expense	5,431	-	5,431	-	5,431	1,669	3,762
	- Capital Investment	40,000	36,505	76,505	-	76,505	34,666	41,839
4.0.2	Program Services							
	- Expense	29,411	136	29,547	250	29,797	33,324	(3,527)
	- Equipment/Inventory Purchases	-	-	-	-	-	57	(57)
4.0.3	Water Management Infrastructure							
	- Capital Investment	31,181	-	31,181	-	31,181	28,261	2,920
Total Program 4		106,023	36,641	142,664	250	142,914	97,977	44,937

MINISTRY OF TRANSPORTATION
SCHEDULE TO FINANCIAL STATEMENTS
COMPARISON OF EXPENSES - DIRECTLY INCURRED, EIP AND CAPITAL INVESTMENT AND STATUTORY EXPENSES
BY ELEMENT TO AUTHORIZED BUDGET
Year ended March 31

Schedule 5
(continued)

(In thousands)

	2009-10 Estimates	Adjustments (a)	Budget	Authorized Supplementary (b)	Authorized Budget	Actual Expense	Unexpended (Over Expended)
5 Non-Cash Items							
5.0.1 Amortization of Capital Assets	337,072	-	337,072	(27,072)	310,000	295,123	14,877
5.0.2 Consumption of Inventories	25,000	-	25,000	-	25,000	34,347	(9,347)
5.0.3 Nominal Sum Disposals	25,000	-	25,000	(23,353)	1,647	1,289	358
Total Program 5	387,072	-	387,072	(50,425)	336,647	330,759	5,888
Credit or Recovery Shortfall (Schedule 2)							
Operating Expense		(31)	(31)		(31)	-	(31)
Capital Investment		(4,750)	(4,750)	-	(4,750)	-	(4,750)
Grand Total	$ 3,764,984	$ 398,003	$ 4,162,987	$ 73,827	$ 4,236,814	$ 3,795,420	$ 441,394
Expense	$ 1,971,784	$ 70,005	$ 2,041,789	$ 73,827	$ 2,115,616	$ 2,092,982	$ 22,634
Expense Funded by Lotteries	255,000	-	255,000	-	255,000	255,000	-
Debt Servicing Costs	20,913	-	20,913	-	20,913	20,913	-
	2,247,697	70,005	2,317,702	73,827	2,391,529	2,368,895	22,634
Equipment/Inventory Purchases	35,009	-	35,009	-	35,009	49,132	(14,123)
	2,282,706	70,005	2,352,711	73,827	2,426,538	2,418,027	8,511
Capital Investment	1,362,278	327,998	1,690,276	-	1,690,276	1,330,601	359,675
Capital Investment Funded by Lotteries	120,000	-	120,000	-	120,000	46,792	73,208
	1,482,278	327,998	1,810,276	-	1,810,276	1,377,393	432,883
	$ 3,764,984	$ 398,003	$ 4,162,987	$ 73,827	$ 4,236,814	$ 3,795,420	$ 441,394
Statutory Expense							
Valuation Adjustments							
Provision for Doubtful Accounts	$ -	$ -	$ -	$ -	$ -	$ 4	$ (4)
Provision for Vacation Pay	-	-	-	-	-	497	(497)
Provision for Future Site Remediation and Reclamation	-	-	-	-	-	(11,254)	11,254
	$ -	$ -	$ -	$ -	$ -	$ (10,753)	$ 10,753
Statutory Capital Investment							
Alternatively Financed Projects	$ 339,590	$ -	$ 339,590	$ -	$ 339,590	$ 278,339	$ 61,251
	$ 339,590	$ -	$ 339,590	$ -	$ 339,590	$ 278,339	$ 61,251
Voted Non-Budgetary Disbursements							
Provincial Highway Systems and Safety							
2.0.7 Strategic Economic Corridor Investment Initiative	$ 6,545	$ -	$ 6,545	$ -	$ 6,545	$ 6,545	$ -
	$ 6,545	$ -	$ 6,545	$ -	$ 6,545	$ 6,545	$ -

(a) Adjustments include credit or recovery increases, credit or recovery shortfalls, and increases as a result of approved capital carry-over of the 2008-09 unused appropriation, pursuant to the *Financial Administration Act, section 28.1.*

(b) Supplementary Estimates were approved on February 17, 2010. Treasury Board approval is pursuant to section 24(2) of the *Financial Administration Act* (for net budgeted initiatives).

MINISTRY OF TRANSPORTATION
SCHEDULES TO FINANCIAL STATEMENTS
SALARY AND BENEFITS DISCLOSURE
Year ended March 31

Schedule 6

	2010				2009
	Base Salary[1]	Other Cash Benefits[2]	Other Non-cash Benefits[3]	Total	Total
Deputy Minister [4]	$264,069	$ -	$ 38,771	$302,840	$ 332,282
Chair, Transportation Safety Board [5]	141,053	-	4,665	145,718	183,295
Assistant Deputy Ministers					
Transportation Safety Services	182,146	-	44,097	226,243	241,187
Transportation and Civil Engineering [6]	170,794	-	41,625	212,419	219,163
Policy and Corporate Services [7]	171,259	-	40,998	212,257	215,543
Executive Directors					
Finance[8]	151,545	-	36,808	188,353	204,552
Human Resources[7]	151,545	-	36,808	188,353	203,096

Prepared in accordance with Treasury Board Directive 12/98 as amended.

Total salary and benefits related to a position are disclosed.

(1) Base salary includes pensionable base pay.
(2) Other cash benefits include vacation payouts, overtime, and lump sum payments. There were no bonuses paid in 2010.
(3) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, supplementary retirement plans, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.
(4) Automobile provided, no dollar amount included in non-cash benefits figures.
(5) The incumbent was appointed to this position in April 2009.
(6) The incumbent was appointed to this position in February 2010.
(7) The incumbent's services are shared with the Ministry of Infrastructure which contributes its own share of the cost of salary and benefits. Full salary and benefits are disclosed in this schedule.
(8) The incumbent's services are shared with the Ministry of Infrastructure from April 2009 to June 2009 which contributes its own share of the cost of salary and benefits. Full salary and benefits are disclosed in this schedule.

MINISTRY OF TRANSPORTATION
SCHEDULES TO FINANCIAL STATEMENTS
RELATED PARTY TRANSACTIONS
Year ended March 31
(in thousands)

Schedule 7

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Ministry.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Ministry had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Other Entities	
	2010	2009
Revenues		
Lottery Fund	$ 301,792	$ 195,000
Expenses - Directly Incurred		
Business and Technology Services	$ 3,716	$ 3,555
SUCH[1] Sector Entities	1,119	161
Parking	5	5
Insurance	456	410
	$ 5,296	$ 4,131
Accounts Receivable	$ 69,592	$ -
Accounts Payable	$ 1,206	$ 410
Net Tangible Assets Transferred	$ 15,264	$ 8,376

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These expense amounts are not recorded in the financial statements but are disclosed in Schedule 8.

	Other Entities	
	2010	2009
Revenue		
Road/Bridge Maintenance	$ 7,180	$ 7,768
Expenses - Incurred by Others (Schedule 8)		
Accommodation	$ 7,704	$ 7,541
Air Transportation/Executive Vehicles	56	85
Business Services	9,736	9,690
Internal Audit	-	30
Legal Services	994	1,115
	$ 18,490	$ 18,461

[1] SUCH - Schools, Universities, Colleges and Hospitals

MINISTRY OF TRANSPORTATION
SCHEDULES TO FINANCIAL STATEMENTS
ALLOCATED COSTS
Year ended March 31
(in thousands)

Schedule 8

	2010								2009
		Expenses - Incurred by Others			Valuation Adjustments [5]				
Program	Expenses [1]	Accommodation Costs [2]	Business Services [3]	Legal Services [4]	Vacation Pay	Doubtful Accounts	Future Site Remediation and Reclamation	Expenses	Expenses
Ministry Support Services	$ 26,435	$ 978	$ 9,792	$ 45	$ 76	$ -	$ -	$ 37,326	$ 35,600
Provincial Highway Systems and Safety	389,816	2,749	-	949	114	4	(11,254)	382,378	486,349
Municipal Support Programs	1,565,979	8	-	-	8	-	-	1,565,995	1,395,275
Other Programs and Services	34,993	3,969	-	-	299	-	-	39,261	43,859
Non-Cash Items	330,759	-	-	-	-	-	-	330,759	303,489
Debt Servicing Costs	20,913	-	-	-	-	-	-	20,913	18,211
	$ 2,368,895	$ 7,704	$ 9,792	$ 994	$ 497	$ 4	$ (11,254)	$ 2,376,632	$ 2,282,783

(1) Expenses - Directly Incurred as per Statement of Operations, excluding valuation adjustments.
(2) Cost shown for Accommodation (includes grants in lieu of taxes) on Schedule 7, allocated by number of employees in program.
(3) Costs shown for Business Services include charges for financial and information technology support, internal audit and vehicles and air transportation.
(4) Cost shown for Legal Services on Schedule 7, allocated by estimated costs incurred by each program.
(5) Valuation Adjustments as per Statement of Operations. Employee Benefits, Doubtful Accounts and Future Site Remediation and Reclamation provision included in Valuation Adjustments were allocated as follows:
- Vacation Pay - allocated to the program by employee.
- Doubtful Accounts Provision - estimated allocation to program.
- Future site remediation and reclamation - allocated to program.

OTHER INFORMATION

APPENDIX A – PERFORMANCE MEASURES METHODOLOGY

Measure 1.a: Physical Condition of Provincial Highways

The identification of road conditions as good, fair, or poor relies on standards that were established based on the University of Calgary's comprehensive research study on road conditions, and other performance measures conducted for the Ministry in 2002.

The Study's recommendations resulted in establishing condition trigger values. A trigger value is defined as the boundary between categories of good-fair and fair-poor, and is set using a proactive life cycle analysis approach. The values are categorized by highway classification and are compiled into one-kilometre segments.

Alberta Transportation Standards

IRI Rating	110 km/h Highway group	Other Highway group
Good	Avg IRI < 1.5 m/km	Avg IRI < 1.5 m/km
Fair	≥ 1.5 m/km Avg IRI < 1.9 m/km	≥ 1.5 m/km Avg IRI < 2.1 m/km
Poor	≥ 1.9 m/km Avg IRI	≥ 2.1 m/km Avg IRI

After existing good, fair, poor segments are identified, anticipated work activities and pavement deterioration rates are used to determine future performance targets.

The International Roughness Index (IRI) rating for all highways is obtained through data collected annually by consultants for the Ministry. By using laser-based equipment, the consultant records and determines the average IRI value over every 50-metre segment of the Alberta highway network. This detailed data is further averaged over one-kilometre sections to provide an assessment of condition over practical lengths.

Measure 1.b: Functional Adequacy of Provincial Highways

Functional adequacy is calculated by preparing an inventory of the various segments of highway that have deficiencies (geometric, width, surface, paving) based on Transportation's standards and practices. If a section of highway has a deficiency due to any of the factors, it is considered functionally inadequate. The percentage of the highway network that meets target criteria for functional adequacy is the total length of roadway minus the total length of roadway with a deficiency, divided by the total length of roadway, multiplied by 100.

Width Deficiencies

Data on existing road widths is obtained from the Ministry's Pavement Management System. The acceptable road width for each highway is determined using the 3R/4R chapter (resurfacing, rehabilitation, restoration, and reconstruction) of the Alberta Transportation Highway Geometric Design Guide. Actual width and acceptable width are then compared to determine whether a deficiency exists. A deficiency analysis is conducted for every kilometre of paved provincial highway.

Geometric Deficiencies

Geometric deficiencies are based on horizontal curve geometrics, using alignment data collected by consultants. This data is compared to requirements in the Alberta Transportation Highway Geometric Design Guide to arrive at deficiencies. A deficiency analysis is conducted for every kilometre of paved provincial highway.

Surface Type Deficiencies

A traffic volume of 400 vehicles per day and the provincial highway paving list on strategic roads are used to determine the need for a paved surface, and subsequently to identify deficiencies where the criterion is not met. Consultants collect traffic volume data, and existing surface types are derived from the Ministry's internal Pavement Management System. This deficiency analysis is done for every kilometre of graveled provincial highway.

Final Paving Deficiencies

The final paving deficiencies are determined based on whether or not final paving has been completed as planned. A deficiency analysis is conducted for every kilometre of the paved provincial highway network.

Road Bans

Road ban information for provincial highways is obtained using internal data sources. The Transport Engineering Branch monitors the need for road bans on the provincial highway system. As road bans are issued, they are entered into an internal database, which is updated as the status of road bans changes for particular highways. The analysis is done for every kilometre of provincial highway.

The total percentage of highways with functional deficiencies will be less than the sum of the individual deficiencies. This is because certain highway segments have more than one type of functional deficiency. These are called duplicate segments. In order not to double count these highway segments, duplicate segments are subtracted from the total. The elimination of duplicate segments means that the difference between the sum of deficiencies and the reported deficiency was 2.7 per cent less for 2008-09 and 2.6 per cent less for 2009-10.

Measure 1.c: Construction Progress on the North-South Trade Corridor

The measure is based on construction project and highway network data. The percentage is calculated by summing up the number of kilometres twinned and open to travel relative to the total length of the Corridor (1,170 kilometres). The Ministry has nearly completed all the planned twinning for the North-South Trade Corridor.

Measure 1.d: Ring Roads in Edmonton and Calgary

The measure is based on construction project data supplied by the engineering consultants supervising the ring road construction. The percentage is calculated by summing up the number of kilometres of multi-lane roadway opened to travel versus the total length of ring roads (177 kilometres).

Increased economic and population growth in the Edmonton-Calgary Corridor has raised expectations for creating alternate routes sooner to avoid traffic congestion and enable goods to quickly reach their market destination. In previous years, sustained high oil prices and market conditions like labour shortages had contributed to construction delays. However, lower construction costs, along with alternative methods of financing such as public-private partnerships, are now helping to expedite the construction of transportation infrastructure like ring roads in major metropolitan centers.

Measure 2.a: Seat Belt Use

Transport Canada collects seat belt usage data through annual observational surveys on light duty vehicles, including passenger cars, passenger vans, and light trucks in all provinces. Light duty vehicles do not include commercial vans or large trucks, farm equipment, or vehicles which are not equipped with and do not require seat belts (e.g. vintage automobiles).

Transport Canada surveys alternate between urban and rural locations. In 2009, Transport Canada conducted a national rural seat belt survey. Using parallel methods, Alberta Transportation commissioned an urban survey in 2009 to complement the rural data collected by Transport Canada. The rate of seat belt usage in Alberta is estimated from both of these surveys. Urban and rural rates are combined to obtain the overall rate for Alberta.

Over the years, rural surveys measured the seat belt usage in towns with a population of fewer than 10,000 but more than 1,000 inhabitants that are located outside any census metropolitan area or census agglomeration. Urban surveys measured the seat belt usage in communities with a population over 10,000, plus those communities with a population of less than 10,000 that are located within a census metropolitan area.

The rural survey conducted from September 15 to 21, 2009, involved 252 sites across Canada. A total of 22,642 vehicles and 30,831 occupants were observed during the course of the survey. The urban survey conducted from September 22 to 29, 2009, involved 25 sites across Alberta, with a total of 10,301 vehicles and 13,654 occupants observed.

The margin of error in the rural data was plus or minus 0.3 per cent at the 95 per cent level of confidence. In the urban data, the margin of error was plus or minus 0.5 per cent at the same level of confidence.

The growing population and increasing number of licensed vehicle operators and registered vehicles exert pressure on Alberta to continue improving strategies advocating the benefits of wearing seat belts.

Measure 2.b: Drinking Drivers in Casualty Collisions:

i. Percentage of Drivers Involved in Injury Collisions who Have Consumed Alcohol
ii. Percentage of Drivers Involved in Fatality Collisions who Have Consumed Alcohol

Data for both measures is taken from the Ministry's Alberta Collision Information System, and results are based on a calendar year. Drivers involved in casualty collisions resulting in either injury or fatality are included in the results. Driver condition data is compiled from collision reports completed by the attending law enforcement officer. Drinking drivers are those who, in the officer's judgment, have consumed alcohol prior to the collision. Driver condition can be 'normal,' 'had been drinking,' 'alcohol impaired,' 'impaired by drugs' or 'fatigued/asleep.' Driver condition was unspecified for 4,475 drivers involved in casualty collisions and this is not included in the results.

Program enhancements and enforcement priorities may have impacts on the two measures. Alberta's population has increased over the last five years. Traffic volumes for 2009 increased by 10.92 per cent from 2005, as recorded by Alberta's 371 Automated Traffic Recorder sites throughout the province. In addition, the number of licensed drivers increased by 12 per cent since 2005.

Measure 2.c: Mechanical Safety of Commercial Vehicles

Inspections of commercial vehicles for mechanical safety are undertaken using internationally recognized standards issued by the Commercial Vehicle Safety Alliance (CVSA).

The survey starts in the middle of June and continues for six months. Commercial Vehicle Safety Alliance (CVSA) Level I inspections are the focus of the survey. After setting up at a location, the transport officers will pull over and conduct a Level I CVSA inspection on the first available commercial vehicle, including farm vehicles but excluding buses and PIC carriers. Once the inspection is complete and the unit released, the next available commercial vehicle will have a Level I CVSA inspection completed. This activity is continued until seven commercial vehicles have been Level I inspected at each site. There are 64 pre-determined sites used throughout the province for this purpose.

The inspections are undertaken using internationally recognized standards issued by the CVSA. In this sample, 7 random inspections were conducted at each of 64 sites across Alberta between June and December 2009. The total number of vehicles inspected was 448.

Measure 3.a: Client Satisfaction Survey – Municipal Quality of Service

The client satisfaction survey is conducted every second year to measure the satisfaction of municipal partners with the Ministry's services for municipal grant programs.

An external consultant is contracted to conduct the survey to ensure the objectivity of results. Municipal clients are defined as organizations that have interacted with ministry staff regarding municipal grant programs during the survey calendar year, primarily from municipalities and towns.

Respondents are asked to rate on a scale of 1 to 6 (1 being very unsatisfied to 6 being very satisfied) their satisfaction with Municipal Grant Programs Service Area on the following eight key service areas:

- Clarity of written materials
- Ease of access to information
- Ease of access to services
- Consistency of services
- Timeliness of service delivery
- Proficiency of staff
- Courtesy of staff
- Overall quality of services

Results reported include all those clients who indicated they were '4–somewhat satisfied,' '5–satisfied,' and '6–very satisfied' with the service provided.

In 2009, there were a total of 185 surveys completed and returned for a response rate of 61 per cent. Twenty three municipal client contacts were excluded from the analysis due to incorrect contact information and/or surveys being returned as undeliverable.

Data analysis included cross-tabulation of quantitative data, whereby the frequency and percentage distribution of the results for each question were broken down based on client location and client sector. It also included coding of open-ended questions.

On average, results are accurate within plus or minus 4.5 per cent, 19 times out of 20.

Measure 4.a: Progress on Completion of Major Water Management Construction Projects

This measure tracks progress on construction contracts issued throughout the year. The final results are based on the actual construction completed during the fiscal year, as reported by the engineering consultants, verified by Transportation staff, and analyzed by independent cost consultants. The methodology was revised during 2006-07 to reflect the changing construction environment. Instead of tracking dollars spent, the measure is now calculated by tracking the number of kilometres of canal rehabilitated and the number of related structure sub-components replaced out of the total scope of the project implementation program.

The primary trends that could impact the outcome of this particular measure include, changes to Alberta Environment's operating strategy for the Headworks System, regulatory changes at the federal level, lack of construction industry capacity, availability of land for construction, weather, and the ability of the contractors to meet the project schedule. Such trends are monitored very closely to make any needed adjustments.